THE DEPARTMENT OF STATE

Bulletin

Vol. XXXVIII, No. 983 April 28, 1958

PRESIDENT ASKS U.S.S.R. TO AGREE TO BEGIN STUDY OF SPECIFIC DISARMAMENT CONTROL MEASURES ● *Exchange of Correspondence Between President Eisenhower and Premier Khrushchev* 679

SECRETARY DULLES' NEWS CONFERENCE OF APRIL 8 682

INTERNATIONAL COOPERATION THROUGH AVIATION ● *Address by Secretary Dulles* 689

THE TRADE AGREEMENTS PROGRAM AND AMERICAN PROSPERITY ● *by Assistant Secretary Mann* . . 692

THE MUTUAL SECURITY PROGRAM IN THE FAR EAST ● *Statement by Assistant Secretary Robertson* . . . 698

PLAN SUBMITTED TO CONGRESS FOR PAYMENT OF U.S. CLAIMS AGAINST GERMANY AND RETURN OF VESTED GERMAN ASSETS 703

For index see inside back cover

THE OFFICIAL WEEKLY RECORD OF UNITED STATES FOREIGN POLICY

THE DEPARTMENT OF STATE

Bulletin

VOL. XXXVIII, No. 983 • PUBLICATION 6635

April 28, 1958

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

PRICE:
52 issues, domestic $7.50, foreign $10.25
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 20, 1958).

Note: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated.

President Asks U.S.S.R. To Agree To Begin Study of Specific Disarmament Control Measures

Following is an exchange of correspondence between President Eisenhower and Nikita Khrushchev, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics.

THE PRESIDENT TO PREMIER KHRUSHCHEV

White House press release dated April 8

April 8, 1958

Dear Mr. Chairman: I have your communication of April 4 repeating, in substance, the already widely publicized statement of the Soviet Government with reference to the suspension of nuclear testing.[1]

It seems peculiar that the Soviet Union, having just concluded a series of tests of unprecedented intensity, should now, in bold headlines, say that it will not test again, but add, in small type, that it may test again if the United States carries out its already long announced and now imminent series of tests.

The timing, wording, and manner of the Soviet declaration cannot but raise questions as to its real significance.

The position of the United States on this matter of testing is well-known. For several years we have been seeking a dependable ending to the accumulation of nuclear weapons and a dependable beginning of the steady reduction of existing weapons stockpiles. This was my "Atoms for Peace" proposal, made in 1953 before the United Nations. Surely, the heart of the nuclear problem is not the mere testing of weapons, but the weapons themselves. If weapons are dependably dealt with, then it is natural to suspend their testing. However, the Soviet Union continues to reject the concept of an internationally supervised program to end weapons production and to reduce weapons stocks. Under those circumstances of the Soviets' making, the United States seeks to develop the defensive rather than the offensive capabilities of nuclear power and to learn how to minimize the fissionable fallout.

It goes without saying that these experiments, so far as the United States is concerned, are so conducted that they cannot appreciably affect human health.

Perhaps, Mr. Chairman, you recall the Joint Declaration made by the Governments of the United Kingdom and the United States at Bermuda on March 24, 1957.[2] We then declared that we would conduct nuclear tests only in such a manner as would keep world radiation from rising to more than a small fraction of the levels that might be hazardous. We went on to say that we would continue publicly announcing our test series well in advance of their occurrence with information as to their location and general timing.

We further said that we would be willing to register with the United Nations advance notice of our intention to conduct future nuclear tests and to permit limited international observation of such tests if the Soviet Union would do the same.

The Soviet Union has never responded to that invitation. Its latest series of tests was conducted behind a cloak of secrecy, so far as the Soviet Union could make it so. Nevertheless, as I re-

[1] For text of a decree passed by the Supreme Soviet of the U.S.S.R. on Mar. 31, see Bulletin of Apr. 21, 1958, p. 647.

[2] For text, see *ibid.*, Apr. 8, 1957, p. 561.

cently stated,[3] it is the intention of the United States to invite observation by the United Nations of certain of our forthcoming tests.

Not only did the Soviet Union ignore our Bermuda proposal on testing, but it has persistently rejected the substance of my "Atoms for Peace" proposal. It refuses to agree to an internationally supervised cut-off of the use of new fissionable material for weapons purposes and the reduction of existing weapons stocks by tranfers to peaceful purposes. During the five years since I first proposed "Atoms for Peace", the destructive power in our nuclear arsenals has steadily mounted, and a dependably controlled reduction of that power becomes ever more difficult.

Mr. Chairman, now that you have become head of the Soviet Government, will you not reconsider your Government's position and accept my proposal that fissionable materials henceforth be manufactured only for peaceful purposes?

If the Soviet Union is as peace-loving as it professes, surely it would want to bring about an internationally supervised diversion of fissionable material from weapons purposes to peace purposes.

If the Soviet Union is unwilling to accept "Atoms for Peace", there are other outstanding proposals by which the Soviet Union can advance the cause of peace. You will recall, Mr. Chairman, my "Open Skies" proposal made to you and Chairman Bulganin in Geneva in 1955.[4] You will also recall my proposals for the international use of outer space for peaceful purposes emphasized in my recent correspondence with Chairman Bulganin.[5] These proposals await Soviet acceptance.

The United States is also prepared, in advance of agreement upon any one or more of the outstanding "disarmament" propositions, to work with the Soviet Union, and others as appropriate, on the technical problems involved in international controls. We both recognize that international control would be necessary. Indeed, your present letter to me speaks of "the establishment of the necessary international control for the discontinuance of tests".

What is "necessary"? The question raises problems of considerable complexity, given the present possibility of conducting some types of tests under conditions of secrecy.

If there is ever to be an agreed limitation or suspension of testing, and the United States hopes and believes that this will in due course come about as part of a broad disarmament agreement, plans for international control should be in instant readiness. Why should we not at once put our technicians to work to study together and advise as to what specific control measures are necessary if there is to be a dependable and agreed disarmament program?

The United Nations General Assembly has called for technical disarmament studies, in relation both to nuclear and conventional armaments. The United States says "yes". I urge, Mr. Chairman, that the Soviet Union should also say "yes". Then we can at once begin the preliminaries necessary to larger things.

Sincerely,

DWIGHT D. EISENHOWER

[3] *Ibid.*, Apr. 14, 1958, p. 601.
[4] *Ibid.*, Aug. 1, 1955, p. 173.
[5] *Ibid.*, Mar. 10, 1958, p. 373.

PREMIER KHRUSHCHEV TO THE PRESIDENT

Official translation

DEAR MR. PRESIDENT: One of the most urgent problems in present international relations which very deeply agitates millions of people in all countries of the world is that of the necessity of the immediate discontinuance of tests of atomic and hydrogen weapons of various kinds. It is easy to understand the deep alarm which the continuing experimental explosions of nuclear weapons arouse among all strata of society, from political personages, scientists, and specialists to ordinary people, the rank-and-file workers of city and village, to mothers of families. These tests stimulate the armaments race and promote the development of new and ever more destructive and deadly kinds of nuclear weapons, and thereby still further intensify the threat of atomic war which hangs over mankind.

Moreover, systematic explosions of atomic and hydrogen weapons for experimental purposes even now, in peacetime, are causing damage to the health of peaceful, unsuspecting, and entirely innocent inhabitants of various countries. In the petition signed by 9235 scientists of 44 countries, including many prominent scientists of the United States of America and of the Soviet Union, and delivered in January of this year to the Secretary General of the United Nations, it is stated that each test of a nuclear bomb increases the quantity of radioactive fallout, thereby causing harm to the health of people throughout the entire world and threatening the normal development of coming generations.

Taking all this into account, the Soviet government has come to the conclusion that it is impossible to postpone

any longer the solution of the question concerning the discontinuance of nuclear weapon tests because it is impossible to allow the health of the people to be irreparably harmed.

Today only three powers so far—the U.S.S.R., the U.S.A., and Great Britain—possess nuclear weapons, and therefore an agreement on the discontinuance of nuclear weapon tests is comparatively easy to reach. However, if the tests are not now discontinued, then after some time other countries may become possessors of nuclear weapons and under such conditions it will of course be a more complicated matter to reach an agreement on the discontinuance of the tests.

During the last three years the Soviet government has repeatedly approached the governments of the United States of America and of Great Britain with proposals to discontinue tests of atomic and hydrogen weapons. In as much as both the Government of the United States and the Government of Great Britain have not wished to agree to discontinue nuclear tests without specifying a time limit, the Soviet Union advanced a proposal of its own, that is, to discontinue these tests, at first even for a limited time, for two or three years, for example. The proposals of the U.S.S.R. on this question provide for the establishment of the necessary international control for the discontinuance of tests.

Despite all this, it has unfortunately been impossible up to now to come to an agreement for settling the question concerning an unconditional and immediate discontinuance of nuclear tests, or even concerning a temporary suspension.

Guided by the desire to make a practical beginning to the discontinuance of tests of atomic and hydrogen weapons everywhere and thereby take the first step in the direction of a final liberation of mankind from the threat of a destructive atomic war, the Supreme Soviet of the Union of Soviet Socialist Republics has decreed the discontinuance in the Soviet Union of tests of all kinds of atomic and hydrogen weapons.

The Soviet Government, implementing this decree of the Supreme Soviet of the U.S.S.R., *decided to discontinue unilaterally, as of March 31, 1958, tests of any kind of atomic and hydrogen weapons.*

The Soviet Government addresses to the Government of the United States of America, and also to the Government of Great Britain, a proposal to join in these measures.

If the governments of the countries which now have nuclear weapons at their disposal support this proposal of the U.S.S.R. and in their turn adopt a decision to renounce further tests, then the question which so deeply agitates the peoples of the whole world will finally be resolved and a great step will thereby be taken toward the establishment of genuine trust among states and toward the strengthening of peace.

However, if the governments of the countries with the nuclear weapons at their disposal do not wish to respond to this decision of the Soviet Government and prefer to leave things as they were before and continue experiments with atomic and hydrogen weapons, then in such case the Soviet Union, in the interests of ensuring its own safety, will of course have no alternative other than that of considering itself freed from any obligation undertaken by it in regard to the discontinuance of nuclear tests. The Soviet Government would not like to see matters take such a course.

The Government of the U.S.S.R. expresses the sincere hope that the Government of the United States of America will join in the initiative of the Soviet Union and will thereby make possible the discontinuance forever of nuclear weapon tests everywhere.

In the opinion of the Soviet Government it would be appropriate if our two countries—the U.S.S.R. and the U.S.A., which were the first to create atomic and hydrogen weapons and to possess considerable stocks of these weapons—would come forth as leaders in the noble cause of the immediate cessation of nuclear tests.

This first practical step on the path toward the protection of mankind against the calamities with which it is threatened by modern nuclear weapons would enormously facilitate the advance toward a solution of the problem, that is, the complete liberation of peoples from the threat of an atomic war. Hardly anyone will deny that the discontinuance of experiments with atomic and hydrogen weapons would greatly improve the international political atmosphere as a whole and would create more favorable conditions for the settlement of other unsolved international problems.

Permit me, Mr. President, to express the hope that the proposals of the Soviet Government stated above will meet with a favorable attitude on the part of the Government of the United States of America.

With sincere esteem,

N. KHRUSHCHEV

April 4, 1958

His Excellency
DWIGHT D. EISENHOWER,
President of the United States of America,
Washington, D.C.

Secretary Dulles' News Conference of April 8

Press release 179 dated April 8

Secretary Dulles: You will, I think, have in your hands by now the text of President Eisenhower's reply to his first communication from Chairman Khrushchev in the place of Chairman Bulganin.[1]

The heart of that lies in the last paragraph which again presses the Soviet Union at least to begin some of the technical studies about supervision and control which we both agree are the necessary prelude to any agreement on control or limitation of armaments or inspection against surprise attack. We see no reason at all why, if there is really good faith on the part of the Soviet Union—and we trust there is—at least the technical studies should not now be gotten under way.

We will await a reply on that, as we also await a reply to the three-power note or memorandum communicated to the Soviet Government now about 10 days ago[2] inviting the beginning of diplomatic talks to see whether or not a summit conference can usefully be held.

Now for your questions.

Q. Mr. Secretary, do you have any idea what is meant by Premier Khrushchev's public references to the possibility of international supervision over the suspension of atomic-energy tests?

A. No, we don't know, and that is one of the reasons why it would be useful to have these technical studies to find out whether we are thinking at all in the same terms. We have conducted here in our own Government intensive technical studies to ascertain what would be necessary to have a dependable agreement on, let's say, the suspension of testing, and we have that work now pretty well completed.

A recent report was made by a group which had been set up by Dr. Killian[3] to study that very subject. We don't know whether we are thinking along the same lines at all as the Soviet Union. When we talk about international supervision, I notice, for example, the press reported yesterday the intention of the Soviet Union to use nuclear power for explosion in tunnels and various underground areas ostensibly for civil purposes.

You cannot tell from a distance of several thousand miles whether an explosion of that character is actually for civil purposes or whether it is for military purposes. So that there would have to be, we think, a considerable degree of inspection. The teams would have to have some mobility to establish a supervision of a cessation of testing that was effective. But whether or not the Soviet Union is thinking along those lines we don't know. That is the reason why we think it would be useful to get started at least on some of the technical studies while the other problems are being debated—the questions of principle.

Q. Mr. Secretary, in the President's letter he asked Chairman Khrushchev to reconsider his Government's position and accept a proposal that fissionable material can be manufactured only for peaceful purposes. Do you anticipate the Russians might unilaterally announce a reduction or cutoff of this fissionable material, and would that satisfy his request?

A. No, it would not satisfy. You asked whether the Soviets might announce it. I would not attempt myself to put any limits on what they might announce. The question of what they might allow to be supervised, controlled, and checked is a totally different matter. An announcement which assures no element of supervision or control must, I think, be judged, in the absence of further evidence, as primarily propaganda material rather than a move which is designed actually to allay concern or to assure others that a new situation has been created.

---

[1] See p. 679.

[2] For text, see BULLETIN of Apr. 21, 1958, p. 648.

[3] James R. Killian, Jr., Special Assistant to the President for Science and Technology.

Probability of Detection

Q. Mr. Secretary, you mentioned the Killian study. Is it the conclusion of that study, and therefore the administration's, that inspection and control is possible to eliminate the degree of risk to a point which this Government would accept?

A. Very definitely they come to the conclusion that a fairly complex system is required to eliminate totally the risk—I don't think they believe that any system of supervision would be proof against all possible evasions. But I think there is one factor that we can properly take into account; namely, that if there is an agreement to suspend, an international agreement coupled with sufficient supervision so that there would be a high degree of probability that evasion would be detected, then that of itself creates a considerable likelihood that evasion will not be attempted. That is because the consequences of an evasion that gets caught might be so serious as to more than balance out the advantages of the surreptitious testing.

Q. In fact you are rejecting the contention that the Russians could cheat on any inspection system. Is that correct?

A. No, I think I said that the report indicates that there cannot be absolutely 100 percent assurance of detection of everything. But I also suggested, I think, that that is perhaps not necessary if you create a high probability that an evasion would be detected. We doubt whether the advantage to be gained from such an attempted secret test would more than balance out the risk that would be involved if you get caught.

Q. Mr. Secretary, would such a system require an exemption for civil purposes or the development of atomic explosions for use in petroleum exploitation and digging up harbors and canals, et cetera?

A. I think there would have to be a sufficient supervision to determine whether a nuclear explosion was in fact for civil purposes or whether it was an explosion of weapons under the guise of being for civil purposes.

Q. What I mean, there would have to be an exemption to allow continuance of this benign—or do we propose to forgo those?

A. No, I don't think they should be forgone. I think the advantages would be so great there should remain the possibility of the use of nuclear power for civilian purposes of that sort. But, if there is to be an agreement that they will not explode for weapons purposes, then there must be some way of deciding which the particular explosion is.

Detection Stations

Q. Mr. Secretary, when you talk of the high degree of probability that such tests could be detected, are you talking in terms of having inspection within the territory of the Soviet Union and the United States and not a ring of stations around the border states?

A. That is correct. There would have to be a number of stations within the areas of possible explosion with a degree of mobility to permit them to go to an area where there was a suspicious development to ascertain whether or not it was an earthquake or an explosion and, if it was an explosion, whether it is for civil purposes or for military purposes.

Q. Mr. Secretary, can you tell us if this report indicates that no hydrogen megaton-range explosion can be detected from outside countries without inspection or whether this is referring to atomic tests?

A. I do not think we yet know the degree of detectability from a distance of explosions at a very high altitude. I don't think there is enough knowledge about that so that I can give a positive answer to the question.

Q. What about supervision against the cutoff? What about inspection to make sure the fissionable material is cut off from production? Do we have any knowledge yet there is a feasible inspection to get cutoff of fissionable material?

A. Yes, we have made studies on that subject and are of the opinion there can be a reasonably effective protection there. I would say that, as the use of nuclear power grows for civilian purposes—for nonmilitary purposes—the degree of risk that must be taken is even greater than in the case of supervising against the test explosions. To get anything approaching complete protection, it would require a degree of inspection into factories, plants, and power plants, and the like, which probably would not be very practical. But we do believe again that it is possible to have a

degree of inspection which gives a sufficient degree of exposure so that cutoff would be acceptable.

I think, in this whole area, we have to recognize that certain risks must be taken. There are risks if you do, and there are risks if you don't. Certainly to allow this whole atomic-nuclear development to go ahead without any control, without any supervision at all, that involves very great risks too. So one has to balance the risks on one side and the other and strike something that would be acceptable.

Q. Mr. Secretary, to pursue that question of nonmilitary explosion—in a speech last week Senator Humphrey said that testimony before his disarmament subcommittee had disclosed the same technology which might make nuclear explosives usable in peaceful pursuits might also be applied to making weapons with vast dimensions of radioactive fallout. Therefore it would not be necessary to allow nations to continue tests of so-called clean weapons but only to allow an international agency or an agency under international control to develop nuclear explosives for peaceful purposes. Could you comment on that?

A. I am afraid that I might make some mistake if I commented on that. This whole field is so highly technical that really I think questions of that sort should probably be addressed to the Atomic Energy Commission. I don't have the technical knowledge which would enable me to judge the accuracy of that statement.

Q. Mr. Secretary, will the Killian report be made public and, if not, why not?

A. I just don't know whether it is going to be made public or not. If not, I am sure there will be good reasons for it. (Laughter)

Q. Mr. Secretary, what order or number of stations within the area inside the Soviet Union would be required to give a sufficient degree of protection on testing?

A. You are wanting to prejudge the answer to the last question. That is in the Killian report. If I understand correctly, you ask the estimate of the number, the character of the stations that would be required in various countries. Is that your question?

Q. Well, specifically in the case of the Soviet Union, Mr. Stassen, while he was, I believe, still in an official position in the Government, used a figure of the order of 20 or 24 or something like that. It is a question which comes up so much that any specific information which we could rely on would be useful.

A. I would say this, that the estimates have gone up since the time that the study was made that was reflected in Mr. Stassen's report that you refer to.

Q. Mr. Secretary, in regard to U.S. policy in the Middle East the view has been expressed rather widely of late that the United States had a choice of two courses toward Nasser, either to try to block the further spread of his influence in that part of the world or to try to get along with him, and that we aren't doing one or the other. Could you comment on that, sir?

A. I think we are getting along with him, as far as I am aware.

Policy on Arms Shipments to Indonesia

Q. Mr. Secretary, the Foreign Minister of Indonesia this morning called in your Ambassador, Howard Jones, to take exception to a statement that Mr. [Lincoln] White [Chief of the News Division] made yesterday in the course of which he said that the U.S. regretted Indonesia's buying Communist arms for possible use in killing Indonesians who openly opposed the growing influence of communism in Indonesia. The Foreign Minister asked Mr. Jones for clarification of that, which he interprets as United States Government siding with the rebels to some extent. I realize you haven't had Mr. Jones' relay from the Foreign Minister yet, probably, but I wonder if you could clarify the U.S. attitude on this arms deal particularly. Is that accurate, as stated yesterday?

A. The United States has a broad policy with respect to arms, which, I am sorry to say, seems not to be shared by the Soviet-bloc countries. We believe that arms should be supplied to a country from without only in accordance with certain fairly well-defined principles. One of these is the need of a country to have defense against possible aggression from without. The other is to have small arms which would be required for a normal police force and the forces required to maintain internal order against subversive activi-

ties and the like which would not be of great proportions and not stimulated from abroad. But we do not believe that the promiscuous spreading of large amounts of major armaments around the world is a sound or a healthy practice. We try not to indulge in that ourselves. And we would be glad if others followed the same practice. That is the principle that has guided us in general in different parts of the world. I would not say that there is any principle that I can define here with sufficient elaboration to cover every possible contingency, and perhaps every rule has its exception. But, broadly speaking, those are our principles. A spreading of arms, which may be primarily designed for offensive operations, is not something that we approve of.

Q. Mr. Secretary, does this mean that the United States would turn down a new request from the Indonesian Government for arms?

A. Turn down a new request?

Q. Yes.

A. There is, I think, [a report of a new request, but that has not yet been actually received]. We got a request back last July, as I recall, for a very large amount of arms indeed. We asked the Indonesian Government for certain clarifications about that request. It turned out that what they were requesting was an amount of arms of the value between $600 million and $700 million. Shortly after that there were statements made about the West New Guinea or West Irian situation, whichever you call it, which came with the failure of Indonesia to get a two-thirds vote for a United Nations resolution which they wanted. These statements indicated that they might want to use force to produce the result which they had failed to get through the peaceful processes of the United Nations. In the light of those indications which came from Indonesia it did not seem that it would fit in with the United States policy to allow the export of any such vast quantity of arms as the Indonesian Government has referred to, nor did it seem to be any likelihood at all that there was in any quarter a threat of aggression against Indonesia which would require any such quantity of arms. That was the situation which continued until later on when the revolt broke out, and it did not seem wise to the United States to be in the position of supplying arms to either side of that civil revolution. That conforms, generally speaking, to our policy.

Q. Mr. Secretary, last week you told us that the Indonesian crisis was an internal matter and that the United States attitude had to be absolutely correct. Does yesterday's statement indicate a change in this attitude?

A. No; I am sure it is still our view that the situation there is primarily an internal one, and we intend to conform scrupulously to the principles of international law that apply to such a situation. It is quite true that the Soviet bloc is now supplying large amounts of arms under conditions which we hardly think is good international practice. But I use "good" in the sense of standards of judgment which are beyond those of accepted international law at the present time. We do not question that what is going on is within the compass of accepted principles of international law. They do not conform to what would be and has been United States policy with respect to the disposal of arms around the world.

Q. Mr. Secretary, have we received a request for arms from the Indonesian rebels in Sumatra?

A. No, we have not.

Psychological Warfare

Q. Mr. Secretary, President Eisenhower suggested at his last press conference we might have a psychological warfare expert in the Department. Are there any plans along that line?

A. No, there are no plans along that line. The problem is a very difficult one because I don't think that you can separate psychological warfare from the substantive work that we are doing. That can be done perhaps in the Soviet Union, where they can conduct psychological warfare as a separate compartment and isolate it from what they are doing in terms of their own policy, foreign or domestic. They conduct psychological warfare on that basis. As I pointed out before, they say one thing in France about their attitude toward Algeria; they say another thing in Algeria and North Africa as to their attitude toward Algeria. They put their psychological warfare in compartments, and they conduct it purely from a propaganda standpoint as to what they think will win favor in different parts of the world. They do that almost irrespective of what, in fact, they are

doing as a matter of policy, both international and domestic. Now we can't operate on that basis. We can't have propaganda which is any better than, or any different from, what we actually are doing as a matter of policy and a matter of practice. So that, while I think we can present our case more effectively than we have been doing, I don't think we can do it by trying to put propaganda in a totally separate compartment from policymaking and operations.

Q. On that point, propaganda and policy are so closely connected, is there any plan to revitalize your own policy-planning board?

A. We are thinking of what we can do to try to operate more effectively in this field. I think that we are registering some improvement. Now you take the President's reply in this letter to Khrushchev. We got the Soviet note in a Russian text late Friday afternoon. We got it translated by Saturday morning. We got a reply completed by Monday noon and on its way to Moscow, the intervening days being the Saturday before Easter and Easter Sunday itself. And in the course of that time we consulted with the United Kingdom, which had received a similar note, and we also informed our NATO allies. Now I think that is a fairly good record, at least as far as making a quick reply is concerned. We are trying to do things like that, to speed up.

Now I would add this, when you speed up, particularly when you do it over an Easter weekend, you don't have as good an opportunity to consult with everybody as you like. You might have to sacrifice a little bit of perfection in getting out a quick reply. But I think, on the whole, that it is important to deal with these things quickly, and I think that what we did over this Easter weekend is a demonstration that at least in one respect we are trying to speed up our operations so as not to give the Soviet propaganda line a free run for as long a time as has often been the case in the past.

We had a statement ready,[4] in anticipation of Mr. Gromyko's speech, which was released instantly, as soon as we got the substance of what he was saying, and we emphasized the fact that the Soviets, although they talk a lot about wanting to have disarmament and so forth, are in effect defying at almost every level the United Nations, which is the agreed forum for dealing with these things.

I do believe that as a result of experience we are improving our techniques somewhat, not in terms of trying to match them in kind, because we can't and don't want to match them in kind, but in terms of trying to get our viewpoint out more quickly and more effectively. We are studying the whole area with a view to trying to improve our techniques.

Free-World Propaganda Initiative

Q. Mr. Secretary, these are replies. Is it possible in a free world or in a democracy to take the initiative?

A. Well, it is in a sense a reply, but it is also an initiative. The series of exchanges that have been taking place here go back now to such a remote date that it is almost impossible to know which is the chicken and which is the egg from that standpoint. (Laughter)

Q. Mr. Secretary, in view of the problem that you outline, why would it not be wise to appoint one or two or several people full time to the job of psychological warfare? I think most of us realize that a good propaganda, so-called, is based mainly on a good policy. But do you think enough attention has been paid to articulating this policy? Do you think enough attention has been paid, for example, to making sure that the sentences in the various Government announcements and letters that we put out are clearly written so that people can understand them? I was just wondering what view you have on that. (*Laughter*)

A. Well, I don't know whether a professor of English would be a great addition to our propaganda effort. I think, you know, when you try to get linguistic perfection, you lose something of the thrust that comes when people express themselves more or less spontaneously, even though the English isn't always perfect. Perhaps that is not exactly what you meant. Perhaps you think that some expert in writing could enable us to express ourselves more effectively than we do.

Q. Mr. Secretary, as a case in point, what Mr. [*John*] *Scali* [*of the Associated Press*] *said, do we understand by the statement of the President this morning that we would consider, on these*

[4] BULLETIN of Apr. 21, 1958, p. 646.

technical group studies, meeting with them on just the technical group concerned with suspension of tests, or do we want several study groups set up?

A. I think that almost any testing or supervising system requires, at least at the beginning, a number of studies which would be applicable to all. You have got questions as to who conducts them, the nationals of what country, the means of communication, et cetera. There are a number of problems of that sort which are common to all. So that I think we could make a useful start without seeming to give a priority or exclusiveness to one as against another.

Q. Mr. Secretary, are you saying that the President, in the reply before this last note or the note before that,[5] *said to Mr. Bulganin that perhaps we should stop this dialogue, this letter-writing debate, and that since they have not stopped it, we are changing our policy and are going to outwrite them; we are going to say, okay, if you want it that way, we will do better? Is that what you're saying, in effect, has happened within the last few weeks?*

A. I don't think that there is any change in our view that, if there is a sincere desire to get into agreement on some of these matters and get started on something, the way to do it is not by writing public letters which purport to be signed by the head of the Soviet Government and directed to the head of another. We believe that that is an effort to put the thing on a propaganda plane rather than upon a plane of sincere effort. Nevertheless, if they persist in doing this, I think we have to reply somewhat in kind, although we would very much prefer to have these matters dealt with on a level where we could really expect to make some progress rather than on a level which is primarily a propaganda level.

I would point out that there is a slight gain, perhaps, in that, I think, the last letter from Mr. Khrushchev is approximately one-third of the length of the last letter from Bulganin. (Laughter)

Disarmament

Q. Mr. Secretary, in this letter today, is it a fair reading that the United States is now prepared to accept or to limit its disarmament package to the matters discussed here—that is, test suspension, production offcut, and stockpile reduction, all with inspection? That is also unclear in the semantics as to whether we would be prepared to accept those things separate from all the other issues that were in the London package.

A. No, I think you will find a reference made in one place to being as part of "a broad disarmament agreement" and in another place a reference to "nuclear and conventional armaments." We are not prepared to abandon the position that the program upon which we are embarked ought to cover as many aspects of disarmament as is possible, including the conventional, which are, as I pointed out here before, of very great importance to some of our European allies, and they would be very reluctant to see the nuclear problem dealt with apart from the conventional.

Now that doesn't mean that we are not prepared to take up technical studies which would deal just with the nuclear problem. Also, I have already indicated we would be prepared to deal with technical studies dealing with the problem of outer space quite apart from anything else.

Q. Mr. Secretary, what information do you have on the arrest of seven American newsmen in Cuba, and what is your reaction to this report?

A. Well, the only information I have is that I heard it over a radio this morning just before I left my house to come to the office.

Q. Are any steps being taken, do you know, on the behalf of these people?

A. I couldn't tell you that. It's too recent.

Q. Mr. Secretary, in connection with this business of speeding up in the American Government's responses and initiatives in the propaganda, psychological-warfare field, is there any thought being given to not only responding quickly but anticipating possible Soviet moves, and putting out some sort of statement which might take all the sting out of the possible effect of what the Soviets might do?

A. Yes. I pointed out at my last press conference[6] that we gave quite a lot of study to the possibility of giving out a statement designed to anticipate Mr. Gromyko's statement. In view of the uncertainty as to just what his statement

[5] *Ibid.*, Mar. 10, 1958, p. 373.

[6] *Ibid.*, Apr. 21, 1958, p. 639.

would be and the difficulty of establishing a position which would effectively counteract that, particularly in view of our allied relationships, we had decided not to do that particular thing. But that doesn't mean that we would not do it wherever we have a clear field in which to do it.

Q. Mr. Secretary, as you indicate, there has been no change in the American disarmament position so far as breaking up the package and so on; would not these talks be a continuation of the London talks which broke down in deadlock?

A. No, because the London talks that broke down in deadlock broke down because of disagreement on the basic principles that were involved. Now we have always felt it would be useful, and might perhaps be helpful in reaching an agreement on principles, if we started at it from the other end, that is, see what we would actually do to carry out any agreement. I think, if we could find an area of agreement there and a climate of good will, that that would help us very much perhaps to reach an agreement on principles.

U.S. Position on Suspension of Tests

Q. Mr. Secretary, it isn't yet clear, at least to me, whether the Russians will maintain their unilateral suspension of nuclear tests after our forthcoming tests. But I take it, from the discussion of the package and discussion of the continuing necessity for inspection, that that would make no difference as far as we are concerned, that we would still not be ready to join in any unilateral suspension of tests without inspection. Is my impression correct?

A. Well, as far as your doubt about the meaning of the Soviet statement, I think that is a doubt which all reasonable men can share. They have certainly left that open, by what President Eisenhower refers to as the "small type," to go on testing after what would be a normal interval of suspension. We all of us, who are doing these things, have a period of preparation and then a period of activation. There has to be an interval of about 6 months in between. They have had roughly a period of 6 months or so of very intensive testing which is now drawing to an end. In the normal course of events they would not have any more testing until next fall. We have had a period of suspension of about 6 months. We will now have a period of testing which will end in the late summer. So that, if they want to, they can pick up again quite in the normal course, without breaking their stride at all, on the ground that we have not responded to their suggestion that we should stop the present tests. Now that answers the first question that you put. I have forgotten by now what the second half was.

Q. The second was, should they maintain their suspension of tests even after we complete our series, would we then be ready to join them in that, or, as I conclude from what has been said today, we would still not be ready to join them?

A. We would not suspend testing merely on the basis of their declaration, without supervision and control, unless and until we came to the conclusion that we had gained from the testing substantially all of the information that we needed in order to make cleaner weapons and smaller weapons and the like. Now whether or not that may be the case, following the next series of tests, I just can't tell. Nobody can tell, because we don't know what the tests are going to disclose.

Q. Is it a hope that, if these tests are completed successfully, they may provide enough information so that without any great risk we could go ahead and suspend testing for some time to come.

A. I think that we all hope that. I would say that, on the basis of what I learned, there is a likelihood that there will be a need for some further testing in some of the areas which probably will not be fully explored by the next series of tests. So you have to make a difference between hope and expectation. I think that we would be happily surprised if we got all the information we needed out of this series of tests, but we may get most of it.

Q. Mr. Secretary, in connection with the shipment of arms, the Department, I think, suspended a shipment of arms to Cuba recently which the Cuban Government wanted somewhat for the purposes you outlined a moment ago. Can you tell me whether the Department has completed its study of the need for those arms by the Government of Cuba and what its decision is?

A. No. I don't know that the study has been completed. As you point out, the action was taken in accord with the broad policy I have indicated, that we allow arms to go to other countries primarily to meet international defense re-

quirements—in this case, the needs of hemispheric defense, where Cuba has a very definite role assigned to it. But we don't like to have large shipments of arms, particularly of a large caliber, as distinguished from just small arms that might be required by normal police force—we don't like to have those go where the purpose is to conduct a civil war.

Q. Thank you, sir.

International Cooperation Through Aviation

Address by Secretary Dulles [1]

The central theme of your conference is "The Humanities of Aviation." That is a most appropriate subject for exploration at this time. Too frequently the humanitarian role of aviation is lost sight of because of emphasis on the destructive potentiality of aircraft. Your discussions here can help to counteract the misconception that aviation developments are primarily of military significance. Such groups as yours prove that modern aviation has given the peoples of the world an unparalleled opportunity to learn to cooperate instead of to fight.

The United States attaches the greatest importance to international cooperation through aviation. But it should be clear to all of us that that cooperation can only be effective if firmly based on sound principles. Cooperation cannot long last in a climate of arbitrary government decisions. The way to real cooperation lies in acceptance of the proposition that civil aviation should be designed to permit maximum contact and understanding among the peoples of the world.

The United States seeks to respond to this fundamental concept. President Eisenhower has frequently expressed his strong conviction that all the world benefits from international travel by people in all walks of life. No better formula for arousing mutual interest and creating mutual understanding has been found than physical and spiritual contact among the peoples of the world. It makes little difference whether international travel is motivated by business, cultural, scientific, or purely recreational interests. The fact is that the international contact resulting from such travel, in each instance, dispels prejudices and narrows the gulf between people of different nationalities. The speed, convenience, and economy of aviation have now brought international travel within the reach of many people to whom it was previously denied. Thus we progress toward a truly international world.

As the complexities of world politics multiply, the importance of air communications in intergovernmental relations increases proportionately. My own experience as an air passenger offers evidence on this point. Those who have kept track of my whereabouts estimate that since my appointment as Secretary of State in 1953 I have traveled nearly 500,000 miles by air, almost 90 percent of that internationally. And despite some impressions to the contrary I am not the only high government official who travels.

Aviation interests have recognized their broad responsibilities to facilitate and encourage the international interchange of passengers, mail, and cargo in every way at their command. They have thereby made a great contribution to the development of broader perspectives in the people of the world.

It is significant to note that the *Fédération Aéronautique Internationale* charter, written over half a century ago, foresaw that aeronautics should be developed

> By making evident the essentially international spirit of aeronautics as a powerful instrument for uniting the peoples of the world;

and

> By encouraging and developing solidarity and mutual assistance in the field of aeronautics among the nations of the world.

The farsighted drafters of your charter merit praise for the goals they set for us.

Today aviation is able to defy natural barriers between nations. But it cannot ignore modern-day principles of airspace sovereignty. International aviation, despite its ability to surmount the physical limitations of earlier days, cannot exist without international cooperation. Such cooperation is not limited purely to the interchange of air privileges and the reduction of entry formalities but must also include mutual exchanges

[1] Made before the Aero Club of Washington and the delegates to the 51st annual conference of the *Fédération Aéronautique Internationale* at Washington, D. C., on Apr. 9 (press release 184).

of knowledge and techniques in the field of aviation. Aviation cannot survive in a world where skills are the exclusive asset of a few. Skills and equipment to meet the ancillary requirements of telecommunications, navigational facilities and services, and operational practices must be available all about the globe on a relatively uniform basis.

Technical Cooperation in Aviation

Nations less advanced in the art of modern aviation desire to meet accepted standards and practices. Also the more advanced nations desire to see those standards established everywhere. There results a broad use of technical assistance projects which seek to achieve mutual benefit by equalizing proficiency at the most highly developed level.

The United States seeks to contribute in this respect. As of today we are maintaining civil-aviation assistance groups assigned to 26 countries and offering cooperative services to a total of 46 countries. In addition it has been made possible for aviation specialists from 44 foreign lands to come to the United States to observe and learn our way of doing things in all phases of aviation activities. At the same time we have also learned from them.

Technical cooperation in the aviation world has not been limited to bilateral arrangements. The remarkable postwar development of civil aviation can, in substantial part, be attributed to multilateral enterprise and foresight. The efforts of the International Civil Aviation Organization in setting standards to meet international aviation requirements have proven indispensable. Furthermore, its contribution to the accomplishment of those standards is glowing evidence of what can be achieved through united effort toward mutually advantageous objectives. The International Air Transport Association, too, has proven that even the highly competitive international airline industry has much to gain through cooperation. Only through pooling of the world's skills have we achieved the aeronautical knowledge we have today.

The modern turbojet engine is a good example of what international cooperation can produce. The aeronautical scientists and engineers of many countries have contributed to the international development of the original invention. Although born in wartime and originally limited in use to military aircraft, this type of propulsion was perfected through mutual exchanges of technical data and cooperation of objectives. It is destined in the near future to revolutionize civil aviation as we know it today.

In many other respects do we see the interrelation of military and civil aviation. The military provision of supplementary air-navigation facilities and services, of communications and meteorological services, and of other aids to civil air operations materially benefits the orderly expansion of these operations. And where do we look for search-and-rescue support? Military aviation offers unstinting assistance in the protection of life. Too little note is given to the wide range of military mercy missions in the international fields of disaster relief, agricultural crises, regional emergencies, and the like, except by the immediate beneficiaries. These activities certainly come under the heading of international cooperation of the highest degree. They demonstrate the basic unity of spirit in the field of aviation.

Military aviation's contributions to the civilian population, however, do not stop at the purely tangible acts of cooperation and assistance. Aviation is a dynamic field in which each experience, each bit of knowledge or information, each development has an overall significance. Advances in the aeronautical sciences mean improvement in the reliability and performance of aircraft operation whether they be designed for military or civil uses.

Guidelines of U.S. Policy

What the future holds in this vast and challenging area of human endeavor is as yet unknown. But the guidelines of United States policy have been clearly laid down. In a very deep sense they stem from President Eisenhower's statement at the time he made his proposals at the United Nations General Assembly concerning the peaceful uses of atomic power:[2]

> . . . the United States pledges before you—and therefore before the world . . . to devote its entire heart and mind to find the way by which the miraculous inventiveness of man shall not be dedicated to his death, but consecrated to his life.

The spirit of American policy in matters that more especially concern this gathering is the

[2] BULLETIN of Dec. 21, 1953, p. 847.

same: President Eisenhower's open-skies proposals at Geneva in 1955 opened up a new role for aviation in the maintenance of world peace. Aerial photography by unarmed, peaceful planes was urged, in this Geneva statement, as the start of a broader system of inspection which could well be the foundation of effective disarmament. The Soviet Union has, for nearly 3 years, evaded a clear response. But we have not given up hope or determination that aviation shall make its distinctive contribution to peace. Indeed we see no other way by which so much security against surprise attack can be achieved and a solid basis thus provided for reduction of armaments. President Eisenhower again yesterday urged Chairman Khrushchev to accept the open-skies proposal.[3] We earnestly hope that in this way aviation will be permitted to make the immense contribution to peace of which it is capable.

The governments of the free world are inspired by concepts that are markedly similar to those which underlie the charter of the *Fédération Aéronautique Internationale*: the desire to be of service and a sense of comradeship in such service; belief in the inherent goodness of man and his deep wish for true peace; belief in the unity and partnership of the free nations as defenders of the peace; and belief that aviation can indispensably serve *all* of the world in the search for the peace and security and community that all men want.

Anniversary of Fall of Bataan

Following is the text of a message sent on April 8 by President Eisenhower to President Carlos P. García of the Philippines on the occasion of Bataan Day, April 9.

White House press release dated April 8

DEAR MR. PRESIDENT: On this 16th Anniversary of the Fall of Bataan, an event which we commemorate with sadness, but with pride, I extend best wishes to you and to the people of the Philippines on behalf of the people of the United States.

The symbol of Bataan, the offering of the ultimate sacrifice by friends for one another, is an ideal so rarely witnessed that it will inspire freedom-loving men always. That together we have carried on our struggle for the preservation of liberty with justice does honor to the memory of our fallen sons and comrades.

Our mutual friendship has been nourished by the spirit of Bataan. May it continue to grow.

Sincerely,

DWIGHT D. EISENHOWER

[3] See p. 679.

U.S. Grants Wheat to Tunisia

Press release 186 dated April 10

A grant of up to 20,000 tons of U.S. wheat to help relieve the critical unemployment situation in Tunisia was announced on April 10 by the Department of State. About one-third of the work force in Tunisia is presently unemployed.

The grain will be made available to the North African country by the International Cooperation Administration under provisions of title II of the Agricultural Trade Development and Assistance Act (Public Law 480). This provision, which ICA administers, authorizes the use of surplus U.S. agricultural commodities for emergency purposes.

The wheat will be used by the Government of Tunisia as payment in kind to persons given employment on the governmental development projects now being launched to relieve unemployment in the country. The Government of Tunisia itself has earmarked the equivalent of $2.4 million of its own resources to support the employment program in which the grain will be used.

It is estimated that the proposed joint Tunisian–U.S. employment program will give jobs to an average of 40,000 Tunisians, or approximately 10 percent of those now out of work, for a period of 5 months. Since the average Tunisian worker has four to five dependents, this will mean that more than 200,000 people will benefit directly.

The ICA document formally making the wheat available to the Tunisian Government was signed on April 9 by the Tunisian Ambassador to the United States, Mongi Slim.

The wheat will be shipped in two vessels, each carrying 10,000 tons. Arrangements are now being made to start moving the grain from the United States to Tunisia as soon as possible, probably within 2 or 3 weeks.

The Trade Agreements Program and American Prosperity

by Thomas C. Mann
Assistant Secretary for Economic Affairs [1]

The subject I want to talk about with you, the trade agreements program, is as important to Texas as to any other State in the Nation.[2] In October 1957 the value of the commercial exports and imports, excluding military shipments, handled by the seaports of Texas totaled, just in that one month, $165 million. The magnificent Houston ship channel has made that city the Nation's second largest port in tonnage of cargo handled. Texas farms and industries are dependent on foreign trade both for markets and for sources of supply.

And as it is with Texas, so it is with the Nation. It was in recognition of the importance of foreign trade to our national prosperity that Congress first passed the Trade Agreements Act in 1934. Then the executive branch and Congress were seeking ways to end the disastrous decline in our foreign trade which had resulted from the high, rigid tariffs of the Smoot-Hawley Tariff Act and from the restrictive measures which other nations had taken in retaliation. Foreign trade was rightly regarded as a means of hastening the end of the great depression.

Today, 24 years later, we are in another economic decline. Surely we must not repeat the errors of the past. If we do, we can expect to see again a decline not only in the foreign trade of the United States but in world trade, and this will seriously deepen the recession at home and extend its effects over the entire free world.

As a result of our liberal trade policy, our exports climbed from $2.1 billion in 1934 to a record $19.5 billion in 1957. This means that exports now form a larger share of our national product than the building of nonfarm homes, the production of automobiles, the production of furniture and other household equipment, or the production for sale of all farm crops. Exports in 1956 equaled in value our output of crude or prepared minerals and approached the value of consumer purchases of clothing and shoes. We are familiar with what a small decline in automobile production can mean to our economy; we need to be more familiar with the equally serious effects of a drop in U.S. exports.

Imports have also increased since 1934—from $1.7 billion then to $13.0 billion in 1957. Their contribution to American prosperity lies in the fact that we are dependent on imports for many materials essential to American industry, from tin to industrial diamonds, and many commodities highly desired by the American palate, from coffee to bananas. And, of course, imports are the primary means by which other countries earn the dollars with which to buy our exports. Without a high level of imports, a high level of exports would be impossible.

How Foreign Trade Affects Individual Interests

But my experience has been that many people who are willing to concede the importance of foreign trade to that vast abstraction, the American economy, still fail to see the importance of trade to their own lives, as businessmen, farmers, workers, or consumers. The contribution of for-

[1] Address made before the Owens Foundation Conference on International Trade and Economic Development at Southern Methodist University, Dallas, Tex., on Apr. 2 (press release 163 dated Apr. 1).

[2] For an address made by President Eisenhower at the National Conference of Organizations on International Trade Policy, together with remarks made by Secretary Dulles and Deputy Under Secretary Dillon at the same meeting, see BULLETIN of Apr. 14, 1958, p. 591.

eign trade to American industry, for example, is far greater than the business it provides to those engaged directly in the handling of exports and imports. Almost every important industry exports part of its production. Eleven percent of our output of machine tools, 14 percent of our coal, 19 percent of our trucks, 26 percent of our construction and mining equipment, 29 percent of our sulphur—much of that, of course, from Texas—and 33 percent of our civilian aircraft are sold abroad.

These industries, and others with a lesser stake in export markets, could not continue to operate without imports. We now obtain from abroad one-quarter of our iron ore, one-third of our copper and rubber, and most of our newsprint and aluminum. Still other materials, most of them unfamiliar to the general public but no less essential to the industries which require them, are entirely or almost entirely imported. In this category are such minerals as tin, nickel, manganese, chrome, antimony, cobalt, tungsten, cadmium, mica, and asbestos.

And, of course, for every business and industry that is dependent on exports and imports there are the employees of that business, whose jobs depend wholly or partly on a high level of foreign trade. Government statisticians have estimated that in 1952 some 976,000 farmers and other agricultural workers and about 2,150,000 nonagricultural employees were engaged in production for export. Another 450,000 people were engaged in the transportation and distribution of imports, and about 800,000 were employed in the first processing of imported materials, that is, in working up imports which came into this country either as raw materials or as semifinished goods. A total of 4,376,000 were thus estimated to be directly or indirectly dependent on foreign trade for their livelihood. This figure is estimated to stand today at about 4½ million persons, or about 7 percent of the labor force. Deprive these people of their jobs and you would double the number of unemployed, even in this recession period.

The number of workers dependent upon exports in specific industries can, of course, range far above the national average. A 1947 study indicated that 13 percent of the employees of the chemical industry, 13 percent of those employed in the coal and petroleum-products industry, 15 percent of the textile-mill workers, 17 percent of those in the iron and steel industry, and 20 percent of those employed in manufacturing agricultural, mining, and construction machinery owed their jobs to exports.

I have mentioned the farmer in passing, but his interest in world trade deserves particular mention, if for no other reason than that his stake in foreign trade has been one of long standing. Unfortunately, the American farmer has been threatened in recent years by the loss of many of his traditional foreign markets, due to a combination of domestic prices which were above the world market level and increased agricultural production in other countries. Special programs have been found necessary to enable the farmer to hold his place in world trade. In the 1956–57 crop year these programs were particularly successful, and more than 85 percent of our rice production, almost 54 percent of our wheat, 26 percent of our tobacco, and 61 percent of our cotton were exported. But no amount of special programs to assist agricultural exports will avail if the produce of other countries is excluded from our markets. Japan, for instance, cannot remain the biggest single purchaser of American cotton if every Japanese product which begins to sell well in this country is suddenly barred. With farm exports, as with industrial products, we must buy if we want to sell.

Businessmen, workers, farmers—all have an interest in foreign trade. But one major group, the biggest and most important group of all, has not been mentioned: the American consumer. He benefits from the lower prices and greater variety of goods which imports make available to him. Anything made out of sugar would be much more expensive if imports of sugar were cut off. The price of an American automobile would be sharply increased if imported iron ore were unavailable, and both price and quality would be affected if some of the rarer metals and minerals could not be obtained.

The Case for Renewal of the Trade Agreements Act

A high and rising level of foreign trade is therefore important not only to the American economy as a whole but to our individual interests as businessmen, employees, farmers, consumers. The President's authority to promote an expanding foreign trade by means of agreements with other nations for the reciprocal reduction of tar-

462029—58——3

iffs and other barriers to trade expires, as you know, on June 30 of this year. Even if no case for renewal of the Trade Agreements Act could be made except on the basis of its direct contribution to the American economy and American prosperity, renewal would be clearly justified.

But, in the circumstances in which the United States finds itself today, there are few pieces of legislation which we can afford to consider purely from the domestic point of view, without regard for their effect on the rest of the free world. For the prosperity of the United States depends, in the long run, on the prosperity of the rest of the world. We cannot be an island of wealth in a sea of poverty; we cannot be an oasis of peace and stability in a desert of chaos and conflict. This is no longer a matter of serious public debate in the United States. But what does need wider recognition in this country is the degree to which sound trade policies contribute to the economic well-being of the free world and therefore to the strength and unity of the Western alliances. For we may be sure that in the long term cohesion between allies and friends rests on mutuality of interests and that it cannot survive on sentiment and words alone.

Most other countries are smaller and less diversified economically than the United States. They must import a much larger share of what they need. They can do this only if their exports are correspondingly large in relation to their output.

For the major industrial countries, such as the United Kingdom, West Germany, and France, the ratio of exports to gross national production is two to four times as great as for the United States. For smaller advanced nations, such as Belgium, the Netherlands, Sweden, and Switzerland, it is five to nine times as great. For many of the less developed countries exports are the largest single component of the market part of their economy. Ceylon must sell its natural rubber, Iceland must sell its fish, Burma must sell its rice, and Uruguay its wool.

The United States is the world's largest market and principal trading nation. To any nation, therefore, for which trade is important, trade with the United States is almost automatically important as well. Trade with the United States means the difference between prosperity or depression to many countries. Over two-thirds of the total exports of Colombia, Mexico, and Cuba go to the United States. For Canada the ratio amounts to 60 percent, while for Brazil and the Philippines it is at least 50 percent.

For many particular commodities the United States is the dominant market. For example, Chile sends two-thirds of her total copper production to the United States; Cuba sells us half of her sugar; Indonesia sells one-quarter of her rubber; Bolivia, one-third of her tin; Brazil, over one-half of her coffee production.

This is why the Trade Agreements Act is the cornerstone of American foreign economic policy and is looked upon all over the world as *the* symbol of American determination to maintain its leadership. In the eyes of foreign countries passage or hamstringing of this act is our choice between cooperation and isolationism.

European Economic Integration

There is still another reason why a continuation of two-way trade is vital to us. Six of our Western European allies—France, the Federal Republic of Germany, Italy, Belgium, the Netherlands, and Luxembourg—have recently made their choice in favor of greater cooperation. On January 1 they joined together in a customs union, or Common Market. Over a period of 12 to 15 years the six countries will eliminate all barriers to internal trade and establish a common tariff against outside countries. Clearly this will give some advantage to producers inside the Common Market over their competitors outside; but the extent of this advantage depends in large part upon the height of the common tariff. And the height of the common tariff will depend on our authority to negotiate reductions on a reciprocal basis. This is one of the reasons why the President has asked Congress to extend the Trade Agreements Act for 5 years and to permit him to reduce tariffs, in return for equivalent concessions from other nations, by a maximum of 5 percent each year.[3]

Tariff negotiations on a scale in keeping with our exports to the six, which reached $2.9 billion in 1956, require time to prepare and time to carry

[3] For text of the President's message to Congress, see *ibid.*, Feb. 17, 1958, p. 263; for statements made before the House Committee on Ways and Means by Secretary Dulles and Secretary of Commerce Sinclair Weeks, see *ibid.*, Mar. 17, 1958, p. 432; for a statement by Deputy Under Secretary Dillon before the same committee, see *ibid.*, Apr. 14, 1958, p. 626.

out. Therefore, not only the authority to negotiate but also sufficient time for effective negotiation is essential. A 5-year extension of the Trade Agreements Act will provide that necessary time and will enable the United States to exercise a liberal influence throughout the first and most formative stage of the Common Market's development.

The movement toward European economic integration is continuing. The 17 nations which belong to the Organization for European Economic Cooperation, including the six Common Market countries, are now negotiating a free-trade area. The creation of so large an area in which goods could be freely traded will surely have significant repercussions upon United States interests. As in the case of the Common Market, we want to make sure that the free-trade area will increase rather than decrease its members' trade with the outside world. And as with the Common Market, the strength of our position in dealing with the free-trade area will depend on how strong a Trade Agreements Act we are given by Congress.

It would be an act of sheer folly, with unalterable consequences, if we, at a time when vast new trading areas are being created, were to shut ourselves off from the rest of the world by a protectionist policy. No responsible and informed person that I know proposes that we do so. But a danger exists that we shall drift into a practice of "isolationism by exceptions"—liberal trade in theory and word but protectionist in practice. Exceptions are, of course, necessary, and I can assure you that the administration is not only conscious of its responsibilities to American industry but, in the 6 months that I have had an opportunity to observe the problem at close hand, it has taken prompt action to protect American business from injury in numerous ways that seldom are known to the general public. But we must take care to prevent a situation where the exceptions cease to *prove* the rule and instead *become* the rule.

Striking a Balance

I would be less than candid if I spoke to a Texas audience on foreign trade and did not mention oil. Our national interest requires that we maintain adequate domestic petroleum reserves and a healthy domestic industry which has the resources to exploit those reserves and the incentive to continue the constant process of exploration and development. Our national defense also requires that our friends and allies not be deprived of the essential income which they derive from their oil exports to the United States and that we not deprive ourselves of access to their oil. In spite of the great reserves in this State and others, the Nation will in the future be increasingly dependent on foreign supplies. The President has therefore had to consider not only the need of the Nation in this temporary period of oversupply but the long-term needs of the Nation as well. I know you will join with me in hoping that the experience of the next few months will prove that the formula which has been announced is fair and effective, just as I know you will share my conviction that, if new remedies are needed, they will be found. We must seek to strike some rational balance between complete dependence on domestic production and what might be an overdependence on foreign sources of supply. I think the President's Cabinet Committee on Oil Imports, headed by Secretary of Commerce Weeks, has struck such a balance for the present period.

To sum up, two-way trade:

(a) combats economic recession and promotes the economic process of the American economy;

(b) strengthens and unites the free world and thereby promotes our security; and

(c) can, if we allow it to do so, guarantee our access to the markets of the new trading communities being formed in Western Europe.

May we have the vision and the courage to serve our country by doing our part to defend the trade agreements program against the attacks which are being made on it from every side

World Trade Week, 1958

A PROCLAMATION[1]

WHEREAS world trade is vital to the economic growth and national security of the United States; and

WHEREAS the export trade of the United States provides employment for millions of Americans and is an indispensable outlet for the products of our farms and factories; and

WHEREAS imports into the United States help to keep factory wheels turning and assembly lines moving for our national defense, and are essential to the domestic economy of our Nation; and

[1] No. 3230; 23 *Fed. Reg.* 2319.

WHEREAS world trade contributes to the economic strength and development of the free nations of the world, and is therefore a powerful force for the advancement of peace;

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby proclaim the week beginning May 18, 1958, as World Trade Week; and I request the appropriate officials of the Federal Government and of the several States, Territories, possessions, and municipalities of the United States to cooperate in the observance of that week.

I also urge business, labor, agricultural, educational, and civic groups, as well as the people of the United States generally, to observe World Trade Week with gatherings, discussions, exhibits, ceremonies, and other appropriate activities designed to promote continuing awareness of the importance of world trade to our economy and our relations with other nations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 7th day of April in the year of our Lord nineteen hundred and [SEAL] fifty-eight, and of the Independence of the United States of America the one hundred and eighty-second.

Dwight D. Eisenhower

By the President:
JOHN FOSTER DULLES
Secretary of State

United States World Trade Fair

A PROCLAMATION[1]

WHEREAS the Second Annual United States World Trade Fair is to be held at New York, New York, from May 7 to May 17, 1958, inclusive, for the purposes of exhibiting and promoting the sale of foreign and domestic products to the American trade and to the public; and

WHEREAS the Congress, by a joint resolution approved March 28, 1958 (72 Stat. 70), has authorized the President, by proclamation or in such other manner as he may deem proper, to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair; and

WHEREAS this exhibition and trade gathering will tend to encourage further development of international trade and to foster friendly relations among participating nations:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in the Coliseum in New York, New York, from May 7 to May 17, 1958, inclusive.

[1] No. 3232; 23 *Fed. Reg.* 2397.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 9th day of April in the year of our Lord nineteen hundred and [SEAL] fifty-eight, and of the Independence of the United States of America the one hundred and eighty-second.

Dwight D. Eisenhower

By the President:
JOHN FOSTER DULLES
Secretary of State

President Asks Further Report on Umbrella-Frame Tariff

White House press release dated March 12

White House Announcement

The President on March 12 requested the Tariff Commission to submit a supplemental report in the escape-clause case involving umbrella frames.

The Tariff Commission had reported to the President on January 14, 1958, that three members of the Commission found that escape-clause relief was warranted, that two members reached a contrary conclusion, and that one commissioner did not participate.

In identical letters to the chairmen of the House Ways and Means Committee and the Senate Finance Committee, the President noted some of the salient facts of the case and said that, although some clear interpretations could be drawn from the present record, the domestic producers and other parties should be given the opportunity to present further information before he made his final decision in this case.

Letter to Chairmen of Congressional Committees[1]

DEAR MR. CHAIRMAN: Under Section 7 of the Trade Agreements Extension Act of 1951, as amended, the United States Tariff Commission submitted to me on January 14, 1958 its report on umbrella frames. Three members of the Commission found that the domestic producers were

[1] Identical letters were sent to Senator Harry F. Byrd, chairman of the Senate Committee on Finance, and Representative Wilbur D. Mills, chairman of the House Committee on Ways and Means.

experiencing serious injury; two Commission members reached a contrary conclusion; and one Commissioner did not participate in this case.

I have carefully considered the Tariff Commission report and have had the advice of the Trade Policy Committee and other departments and agencies of the Executive Branch.

The tariff concession on umbrella frames and their components came into effect in 1951. In late 1955, domestic producers announced prices for 1956 that ranged up to 30 percent above 1955 prices. In late 1955, imports began to increase and continued sharply upward in 1956, totaling 344 thousand dozen for 1956. In May of that year, the domestic industry adjusted its prices downward from the higher levels that it had recently set. The level of imports dropped markedly during the last two months of 1956, and total imports in 1957 were less than half as much as those of 1956.

The industry's profits reflect this pattern. The Commission's report shows that the industry's net profits for 1955 amounted to 7.6 percent of net sales. With the substantial rise in both domestic prices and imports in 1956, losses were experienced by two of the four domestic firms that reported. During the most recent financial period covered by the Commission's report, the first five months of 1957 when imports were at a much lower level than in the preceding year, the industry as a whole showed a moderate profit. Two of the Commissioners suggested that the reported profits for early 1957 understate the position of the industry on two grounds: First, one of the companies included in the industry average was undergoing operational reorganization and its financial experience was quite out-of-line with the other companies; second, the industry usually does better in the latter part of the year, and this, of course, is not taken into account by early figures.

Although some clear interpretations can be drawn from the present record, I have concluded that before my final decision is made the domestic producers and other parties should be given the opportunity to present further information on the industry's experience in recent months. Additional data on the industry's financial experience and the import pattern through the first quarter of 1958 should clarify the situation and enable a better resolution of the points of difference set forth in the minority and majority opinions of the Tariff Commission report.

I am, therefore, requesting the Commission to submit a supplemental report including data on the period ending March thirty-first and also including such other material as the Commissioners deem appropriate in view of the above.

Sincerely,

DWIGHT D. EISENHOWER

Letter to Edgar B. Brossard, Chairman, U.S. Tariff Commission

DEAR MR. CHAIRMAN: I have carefully studied the Tariff Commission's report of January 14, 1958 concerning umbrella frames.

As set forth in the enclosed copy of my letter of today to the Chairmen of the Senate Finance and House Ways and Means Committees, I have concluded that it would be useful to have additional data on the industry's financial experience and the import pattern during recent months.

I request the Commission, therefore, to submit a supplemental report including data on the period ending March thirty-first and also including such other material as the Commissioners deem appropriate.

Sincerely,

DWIGHT D. EISENHOWER

Great Lakes Fishery Commission Meets at Washington

The Department of State announced on April 9 (press release 181) that the Great Lakes Fishery Commission, established by treaty between the United States and Canada, will meet at Washington April 9 and 10. The principal function of the Commission is the eradication of the sea lamprey predator which has so effectively destroyed most of the valuable food fishes of the upper Great Lakes.

Chairman of the Commission is L. P. Voigt, Conservation Director of the State of Wisconsin. Other U.S. members are Claude Ver Duin, Mayor of Grand Haven, Mich., and Donald L. McKernan, Director of the Bureau of Commercial Fisheries of the Department of the Interior.

The Canadian Commissioners are A. L. Pritchard, Director of the Conservation and Development Service of the Department of Fisheries, Ot-

tawa; A. O. Blackhurst, Manager of the Ontario Council of Commercial Fisheries, Port Dover, Ontario; and W. J. K. Harkness, Chief of the Division of Fish and Wildlife of the Ontario Department of Lands and Forests, Toronto.

On hand to report progress and plans on behalf of the two government agencies which are conducting the Commission's program will be W. A. Kennedy of Canada and J. W. Moffett of the U.S. Fish and Wildlife Service. They will be accompanied by top members of their scientific staffs. State conservation agencies will be represented by Albert Hazzard of Pennsylvania, Mason Lawrence of New York, and Lee Roach of Ohio.

The principal method used to control the lamprey is the blocking of streams tributary to the lakes. The lampreys are killed by electrical weirs on their upstream migration to spawning grounds. Another method has been the subject of experimentation, and very hopeful results are being obtained. This is the introduction into the streams of selective toxicants which kill the lampreys and their larvae but do not harm fish or leave a poisonous residue dangerous to human or animal life. Perfecting of this system will speed the work of lamprey control and bring nearer the time of rehabilitation of the lake trout and other commercial and sports fisheries.

THE CONGRESS

The Mutual Security Program in the Far East

Statement by Walter S. Robertson
Assistant Secretary for Far Eastern Affairs [1]

I am glad of the opportunity to appear before you in support of the mutual security program on a scale which will not cripple its objectives. This committee is acutely aware of the importance to the security of the United States and the free world of the continued freedom and independence of the non-Communist countries of the Far East. In our judgment the mutual security program is a bulwark of their freedom and is vital to our own safety.

I shall address my remarks to the foreign-policy considerations which govern our activities in the Far East under the Mutual Security Act. As program operations are conducted by the Department of Defense and the International Cooperation Administration, the specific programs will be covered by the statements of Capt. Berton A. Robbins, Jr., United States Navy, Far East Regional Director for International Security Affairs, Department of Defense, and by Dr. Raymond T. Moyer, ICA Regional Director for the Far East.

The Secretary of State recently said that we live in an historic era of change. He drew attention to two great forces at work: Communist imperialism and the "drive for progress" on the part of the ex-colonial peoples and those of the less developed countries.[2] These forces are conspicuously present in the Far East.

Communism rose to immense power in the area when mainland China fell in 1949. Today Communist China with its 600 million people, large army, and modern air force regards its neighbors as potential satellites or provinces. It plans to make them so. The 12 million relatively unassimilated overseas Chinese in the countries of South-

[1] Made before the Senate Committee on Foreign Relations on Mar. 28.

[2] For a statement made by Secretary Dulles before the House Committee on Foreign Affairs, see BULLETIN of Mar. 17, 1958, p. 427.

east Asia offer a potential fifth column which Communist China is vigorously attempting to exploit.

Eight of the 11 Asian countries of the Far Eastern area have achieved their independence since the Second World War. They are determined to remain free. They are sensitive to any conceivable impingement upon their sovereignty. Their peoples demand of their governments economic progress, and their conservative leaders are under great pressure to show evidence of it quickly. Despite the ever-present military threat, a new emphasis has been placed upon economic development. Leaders of these countries must be able to answer the Communist assertion that only communism can provide them economic progress quickly.

More than a third of the earth's population—900 million people—dwell in the land and ocean area stretching from Japan, China, and Korea southward through Southeast Asia to Australia and New Zealand. Here there are great contrasts in development—Japan, Australia, and New Zealand on the one hand and some of the least economically developed countries in the world on the other. Here exists the greatest variety of cultures, creeds, and backgrounds of any of the major world areas. Here are areas of the greatest and of the least population pressure. Here are countries with abundant natural resources and others where human resources constitute the only significant production factor. In free Asia are some of the most steadfast friends of the United States. In Communist Asia are some of its most unyielding foes.

Japan is the only great industrial complex among the Asian countries and one of the four greatest industrial areas of the world. Its people are energetic and resourceful. They are pursuing a democratic way of life. Japan is a bastion of the free world. Upon its alinement with the free world depends much of the security position of the free world in Asia. Southeast Asia is rich in agricultural products and the raw materials of industry. Taiwan and the Philippines are indispensable to the island defense chain upon which we rely. The Republic of China is a major obstacle to the consolidation of Communist power in mainland China and to the extension of Communist domination over the important communities of overseas Chinese in Southeast Asia.

The position of the Republic of China in the United Nations has remained firm. It would be well to remember, when people speak of our isolated position with regard to Red China, that 43 nations of the world recognize the Republic of China as the lawful government of China. Only 17 non-Communist nations so recognize the Peiping regime. During the year the Republic of China established diplomatic relations with five additional countries. There were about 6,000 overseas Chinese students studying in Taiwan, while the numbers going to Communist China declined, and hundreds of disillusioned students have made their way out of mainland China.

The Republic of Korea stands as a symbol of determined military resistance to Communist aggression. I need not add that the prestige, honor, and safety of the free world are heavily engaged in Korea.

The free nations of the Far East have more than one and three-fourths million men under arms, who, together with our own forces, constitute the free-world defense against Communist overt aggression in that area. These countries cannot support these forces unaided. Hence, the mutual security program provides substantial military aid and economic assistance within the defense-support category. Seventy-one percent of the fiscal year 1959 global defense-support request is proposed for Far Eastern countries. Three countries, Korea, Taiwan, Viet-Nam, account for 60 percent.

The Communist Tactical Shift

In considering what I might report to the committee as the outstanding developments in the Far East during this last year, I concluded that there had been no real changes in the basic situation. There are, of course, important events which tend to reveal and emphasize the nature of the basic situation. This is another way of saying that our grave problems in the Far East are still with us. Perhaps the most significant trend was the increasing emphasis placed upon economic development by countries of this area, accompanied by the stepped-up activity of the U.S.S.R. and other Communist countries in the field of foreign economic assistance and trade. In their Manila communique of March 13[3] the SEATO powers drew attention to this Com-

[3] *Ibid.*, Mar. 31, 1958, p. 504.

munist tactical shift away from direct military measures to enlarged economic, political, and cultural activities.

I wish I could say that the Communist threat had receded in the Far East and that the position of the free countries with our help had correspondingly improved. I am obliged to say, however, that the situation will permit of no complacency. It requires and will require tireless effort and constant vigilance. Communist imperialism has no timetable. It has time. It conceives of its expansion in terms of decades and generations. It believes it can wear us out—that we will tire of the struggle and the cost and let down our guard until too late to raise it again.

I am sure that you will agree that, however difficult the road may be, the United States must be prepared to persist indefinitely in whatever measures are necessary to meet the challenge we face today. I am confident that the American people will make whatever sacrifices are necessary once the issues are clarified and made known to them. To make sure that they are informed imposes a grave responsibility upon those in whom they have placed their trust.

Highlights of the Existing Situation

Permit me to highlight the existing situation in the Far East:

1. There is still no evidence of any weakening of Moscow-Peiping solidarity. On the contrary, Mao Tse-tung ringingly reaffirmed the close bonds between the two countries at the 40th anniversary of the Soviet Revolution, where he publicly acclaimed Moscow's undisputed leadership of the Communist world.

2. No country's boundary has been changed in this year by Communist aggression. No country has fallen prey to Communist subversion.

3. The Communists remain strong in north Korea with approximately 650,000 troops and some 600 to 700 modern airplanes. Even if the Chinese Communists do withdraw from north Korea following their recent propaganda announcement of intention to do so, their withdrawal would be only to a point behind the Yalu from which their return could be made with great speed. The Communists remain strong in Viet-Nam, with a puppet army in north Viet-Nam of from 350,000 to 400,000 men. On the Chinese mainland the Chinese Communists have an army of some 3 million men and hundreds of modern airplanes. They are steadily building up their military capabilities across the strait from Taiwan, where they have prepared jet airfields, railroads, and troop dispositions. In all our discussions with the Communist Chinese authorities in Geneva in an effort to arrange the repatriation of imprisoned Americans, including an accounting for some 450 missing military personnel, those authorities have for more than 2 years refused to renounce their intention to take Taiwan by force of arms if need be.

4. Subversive efforts are continuous in all free Asian countries. A softening process is being applied on the political, economic, and social front in anticipation of the day when large, sudden gains may be possible by military, revolutionary, or other means. In south Korea, in south Viet-Nam, in Laos, in Cambodia, in Thailand, in Burma, in Malaya, in Indonesia, the machinery of subversion is employed conspicuously by the Communists for whatever gain it may bring. The increased strength of the Communists in Indonesia highlights the serious position there just at a time when lack of unity in the Government has led to potentially widespread civil strife, with communism and Communist participation in government among the main issues.

5. On the economic front international communism bids for the favor of the aspiring, underdeveloped countries with offers of aid and promises of economic progress.[4]

The Soviet Union has now begun to back up its propaganda line with genuine economic development assistance in some areas. It has made offers of assistance to many individual countries. At the recent Communist-dominated Afro-Asian meeting in Cairo the Soviet Union offered unlimited "aid without strings" to all countries in Asia and Africa.

At the meeting in Kuala Lumpur this month of the U.N. Economic Commission for Asia and the Far East, the Soviet Union stressed Soviet readiness to expand trade-and-aid relations with the countries of the region. It urged the more extensive use of Soviet technicians in the development of these countries. And it offered

[4] For a statement made by Deputy Under Secretary Dillon before the committee regarding the economic activities of the Soviet bloc in less developed countries, see *ibid.*, Mar. 24, 1958, p. 469.

technical training in the Soviet Union to a substantial number of students from the region. The Soviet Union also indicated its readiness to consider long-term purchase contracts for primary commodities. This latter suggestion probes a sensitive economic wound of the moment, as the Asian countries that are exporters of primary commodities are increasingly concerned over the recently declining value of such exports.

The objective of the Communist economic offensive is to gain prestige and influence in the underdeveloped countries, to identify nationalism and economic progress with adherence to communism, and to open the door to subversive agents operating under the guise of technicians. Respect for Soviet science and technology was greatly augmented in the Far East by the recent Soviet demonstrations of competence in space technology.

Only three countries, Burma, Indonesia, and Cambodia, have so far accepted aid offers from Communist-bloc countries. Since 1955 Burma has accepted $38 million in proffered credit aid from the Soviet Union and $4 million from Communist China. Indonesia, after protracted deliberation and in view of its deteriorating economic position, finally in February 1958 accepted with parliamentary approval a loan of $100 million from the Soviet Union negotiated in September 1956, of which about one-half will finance the purchase of ships from the U.S.S.R. Indonesia has also received a total of $9.4 million in credits from East Germany and Czechoslovakia and a recent offer approximating $35 million from Communist China. Cambodia has received a grant of $22 million from Communist China.

Communist China is playing an increasing role in the trade-and-aid offensive of the Communist bloc. It is expected to furnish 15 percent of the aid promised by the bloc to Far East countries, and it accounts for a high proportion of bloc trade with free Asian countries.

6. A delicate situation exists in Laos. The 1954 Geneva accords [5] provided for unification of the country under the central government. The Communist-dominated Pathet Lao, however, refused to turn over to the Royal Government the two provinces under their armed control, using their defiance of this international agreement to negotiate successfully in November 1957 a coalition government which netted them two cabinet positions, other administrative participation, and legal status as a political party. This may extend Communist influence dangerously in Laos.

7. Cambodia's foreign policy continues to be based on neutrality, and that country continues to show a determination to remain free and independent. In a speech to Cambodian students in Paris last October, Prince Sihanouk made this significant statement:

> Without American aid . . . innumerable consequences would be in store for us. . . . At least for the present no replacement is possible except to become a satellite. Have we the means to be free once communized? . . . It is a question of the existence of our very race.

8. In our defense-support and technical-cooperation programs throughout the Far East we have made necessary, if unspectacular, contributions to economic and political stability, to the defense posture, or to the economic development of the countries according to the nature of their problems and the specific applications of assistance. Our technical-cooperation programs in the several countries of the Far East are generating benefits which will be realized gradually and will remain indefinitely.

There are many factors affecting political stability in the underdeveloped countries besides the economic. However, over a period of years—a decade or more—the popular test of the success of national leadership may well be the adequacy of the rate of economic progress. If conservative or middle-of-the-road leadership does not produce the popularly desired result, the peoples of these countries may be expected to listen attentively to the glowing, if illusory, promises of the extreme left. International communism takes full advantage of any opportunity to lend credibility to the loud claims of leftist contestants for popular political support.

Meeting the Threats of Communist Imperialism

In the current struggle the shifting of emphasis to the economic front does not exclude the possibility of a return to direct military action where lassitude on the part of the free world invites such an action. We cannot afford fatigue, and, if we understand our problem, we will never let fatigue influence our judgment.

To meet the array of threats which Communist imperialism presents to the United States and to

[5] *Ibid.*, Aug. 2, 1954, p. 164.

the free world in the Far East, it remains our policy:

1. to deter, and where necessary to repel, Communist military expansion and infiltration by maintaining an adequately strong free-world military posture. It is in furtherance of this policy that we have negotiated security treaties with Japan and the Republics of the Philippines, Korea, and China, that we joined with seven other nations in the SEATO treaty of alliance against aggression in Southeast Asia and with Australia and New Zealand in the ANZUS defensive alliance.

2. to assist the free nations of the Far East to achieve internal security and political stability and to promote improved conditions of life for their people.

Without the mutual security program our present free-world posture in the Far East could not be maintained. This program is in three principal phases. These are military aid, defense support, and economic aid. Economic aid in this sense includes both technical cooperation and economic development assistance from the Development Loan Fund.

In order that the peaceful life of a country may flourish and economic progress be realized, there must be political stability, freedom from the threat of military attack or insurrection, and sufficient resources available to finance economic development. If domestic resources—financial, human, and material—are drained away by defense expenditures, little or nothing may remain for long-term growth and development. And yet, in the presence of the Communist threat, the defense posture is a prerequisite of an independent national life.

The defense posture of any country is a complex of political, military, economic, and human factors. Weakness of one aspect may be fatal to the whole. United States military aid provides equipment and training for the armed forces of the recipient countries which comprise the first line of defense of their national security and independence. Defense support adds current strength to bolster and maintain the continuity of their economic life so that they can support these necessary defense establishments without economic deterioration.

Without the security provided by such assistance, neither political stability nor economic progress would be possible. In some countries, even with this assistance, private capital, both domestic and foreign, is impeded by the danger of aggression from making its essential contribution to economic development. In such cases the lending authority of the Development Loan Fund provides necessary long-term financing otherwise unobtainable from free-world sources. I cannot emphasize too strongly the importance of this fund having ample resources to assist in so helping underdeveloped countries.

The mutual security program is a direct response to the Communist challenge. The only alternative to American aid in the Far East today is Communist aid. And we can be certain that, wherever or whenever we step out, the Communists stand eager and ready to step in. If we should eliminate ourselves, we should be removing for the Communists the last obstacle blocking their road to the complete domination of Asia. The mutual security program in the Far East remains one of the great imperatives of our foreign policy.

Congressional Documents Relating to Foreign Policy

85th Congress, 1st Session

Message from the President of the United States transmitting the 38th Report to Congress on Lend-Lease Operations for the year ending December 31, 1956. H. Doc. 199, March 10, 1958. 39 pp.

85th Congress, 2d Session

Review of Foreign Policy, 1958. Hearings before the Senate Committee on Foreign Relations. Part I, February 3–March 10, 1958. 417 pp.

Increase Lending Authority of Export-Import Bank. Hearings before the House Committee on Banking and Currency on H.R. 10459. February 25 and 26, 1958. 71 pp.

Extension of Export Control Act of 1949. Hearing before the House Committee on Banking and Currency on H.R. 10127. March 4, 1958. 39 pp.

Mutual Security Act of 1958. Hearings before the House Committee on Foreign Affairs on draft legislation to amend further the Mutual Security Act of 1954, as amended, and for other purposes. Part V, March 7 and 11, 1958. 103 pp.

Export Control Act Extension. Hearing before the Senate Committee on Banking and Currency on S. 3093, a bill to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949. March 13, 1958. 38 pp.

Export Control Act Extension. Report to accompany S. 3093. S. Rept. 1427, March 26, 1958. 3 pp.

Plan Submitted to Congress for Payment of U. S. Claims Against Germany and Return of Vested German Assets

DEPARTMENT ANNOUNCEMENT

Press release 157 dated March 29

The Department of State has delivered to the chairman of the Senate Judiciary Committee and to the chairman of the House Interstate and Foreign Commerce Committee a letter dated March 28, 1958, submitting on behalf of the executive branch an outline of a proposal designed to provide the basis for a solution to the problems of vested German assets and the unsatisfied war-damage claims of American nationals against Germany arising out of World War II. The plan is designed to provide for the payment of all legitimate American war-damage claims against Germany and an equitable monetary return to the former owners of vested German assets.

The program, as outlined in the letter to the Congress, would authorize:

1. The earmarking of $100 million for the payment of such legitimate American claims;
2. A return of up to $10,000, as a matter of grace, to natural persons who were former owners of vested German property;
3. The use of any remaining funds from vested German assets to complete the payment of American damage claims, and thereafter for *pro rata* return to the former owners of vested German properties, including those owners ineligible for the $10,000 return, such as corporations.

This program would be financed from the proceeds of vested assets supplemented by an appropriation of $100 million. This appropriation would restore in the assets account a substantial part of the proceeds from former German assets used to pay American claims vs. Japan. American claims against Germany which prove to be in excess would also be made available for the *pro rata* return to the former owners of vested German properties.

LETTER TO CONGRESSIONAL COMMITTEES

March 28, 1958

Dear Senator Eastland:[1] There is submitted herewith an Administration proposal designed to provide the basis for a solution to the long unresolved problems of vested German assets and of the war damage claims of American nationals against Germany arising out of World War II.

Proposals offering a solution to these problems were submitted on behalf of the Executive Branch to the 84th Congress and to the First Session of the 85th Congress. These have received consideration in your committee and in the House Interstate and Foreign Commerce Committee, but no legislation regarding them has as yet been enacted.

Although provision has been made for dealing with war claims of American nationals against other former enemy states, no provision has been made by the United States Government for war claims of American nationals against Germany except those of prisoners of war, and merchant seamen. In addition, the vesting program has imposed hardships on numerous German nationals who had small properties in this country prior to World War II and it appears desirable, in the interests of our relations with Germany, to take action to alleviate these hardships.

The German Federal Government has on a number of occasions indicated to this Government its hope that legislation could be enacted on the sub-

[1] A similar letter was sent to Representative Oren Harris, chairman of the House Interstate and Foreign Commerce Committee.

ject of the return of vested assets. It has welcomed the $10,000 return program heretofore proposed by the Executive Branch. At the same time, it has expressed the hope that it would prove possible to go beyond the limited return contemplated in the Administration's previous proposals. The subject was last raised with the President by Chancellor Adenauer on the occasion of his visit to Washington in May of last year, as a result of which a new study of the problem was undertaken by the Administration. An announcement was made by the White House in July of 1957 [2] that supplementary proposals regarding these matters would be submitted at the next session of Congress. The objective to be sought was the payment of all legitimate American war claims against Germany and an equitable monetary return to former owners of vested German assets.

It would obviously be desirable to arrange a final settlement of the unsatisfied claims of American nationals against Germany for World War II losses. It would also be in the interest of our relations with the Federal Republic of Germany to achieve a final and mutually satisfactory solution to the problem of vested German assets. What can be done in both instances depends essentially on the determination of what funds can be made available.

Pursuant to various agreements which the United States has entered into over a period of time (the Paris Reparation Agreement of 1946,[3] the London Debt Settlement of 1953,[4] and the Paris Agreements of 1954 [5]), the proceeds of vested German assets constitute the only presently existing funds available for payment of American war claims against Germany. Under the terms of the agreements to which I have referred, the United States Government has agreed not to seek compensation for such claims from the German Federal Government. These latter two agreements followed the policy expressed in the War Claims Act of 1948 under which the proceeds of vested assets were to be devoted to the settlement of American war claims.

While it is difficult to give any firm figure either of the amount of claims which might be filed or the amount which after due examination would be actually allowed, the Foreign Claims Settlement Commission has recently estimated that a reasonably adequate program for the payment of the war damage claims of American nationals against Germany could be carried out within the limits of $100 million. The cost of a return of up to $10,000 to natural persons who were former owners of vested German properties would be approximately $50 million. Thus at least $150 million would be necessary to implement a program for the payment of legitimate American war damage claims and for a $10,000 return. Sums beyond this total would be required to complete an American claims program, should $100 million prove inadequate for this purpose, and to provide an equitable monetary return to all former owners of vested German assets not receiving a full return under the $10,000 program, including corporations.

Proceeds from vested assets are presently available in the amount of approximately $83 million according to the Office of Alien Property. This is manifestly not enough to cover an American claims program and the $10,000 return program. Ultimately some further funds might become available from reserves totalling $179 million now maintained by the Office of Alien Property for litigation and claims payable out of vested assets under existing legislation. The most substantial reserve is that of $100 million for the General Aniline and Film litigation.

As a result of the pooling of vested German and Japanese assets for the purpose of paying those claims provided for in the War Claims Act of 1948, a sum of approximately $125 million deriving from German assets was in effect used to pay claims against Japan. In order to secure a final and equitable settlement of the claims and assets problems the Administration is prepared to seek from the Congress an appropriation of $100 million for a claims and assets program, as a restoration of a substantial part of the former German assets used to pay American claims against Japan. The Administration would not be prepared to seek an appropriation beyond this amount for this purpose.

The presently available proceeds from vested assets ($83 million) together with the restoration of a substantial part ($100 million) of the former German assets used to pay claims against Japan would make $183 million immediately available for a program for the payment of the claims of

[2] BULLETIN of Aug. 19, 1957, p. 306.
[3] For text, see *ibid.*, Jan. 27, 1946, p. 114.
[4] Treaties and Other International Acts Series 2792.
[5] For text, see S. Doc. 11, 84th Cong., 1st sess.

American nationals against Germany and for an equitable monetary return of vested German assets to their former owners. The total estimated cost of an initial American claims program and a $10,000 return to former individual owners would be approximately $150 million leaving about $33 million for the settlement of any unpaid awards to American claimants, and to the extent not required for those awards, for *pro rata* distribution among the former owners of German properties, with the prospects that some further funds might eventually become available from vested assets as reserves are liquidated. If the payment of legitimate American claims in full required less than $100 million, a further sum would then become available for distribution among the former owners of German properties. It is believed that if funds are made available in this order of magnitude a final settlement can be reached which will take into account, and provide a fair and equitable treatment of the interests of, both the American claimants and the former owners of German properties.

It is not intended that this recommendation include vested Japanese assets with respect to which the existing circumstances are substantially different. It appears that the value of vested German assets exceeds the amount of American war claims against Germany which have already been paid or which should appropriately be paid out of the proceeds from such assets. On the other hand, the amount of American war claims against Japan which have already been paid by the United States Government exceeds by far the value of the vested Japanese assets.

In accordance with the above, it is recommended on behalf of the Administration that the Congress give favorable consideration to a solution of the problem of vested German assets and the World War II damage claims of American nationals against Germany which would: (1) authorize the setting aside of $100 million for the payment of such legitimate American claims; (2) authorize a return of up to $10,000, as a matter of grace, to natural persons who were former owners of vested German properties; (3) provide that the remaining funds from vested German assets, and any sums realized in the future from vested German assets, which are available after the requirements of the $10,000 program are met, be used first to complete the compensation of American war damage claimants in full in the event the initial fund of $100 million proves insufficient and, second, to effect a *pro rata* return, as a matter of grace, to the former owners of vested German properties not receiving a full return under the $10,000 program; (4) provide that if the $100 million fund is more than sufficient for the satisfaction of American war damage claimants in full, the remaining balance be included with the funds from vested German assets devoted to the *pro rata* return. It is further proposed that this program be financed from the proceeds of vested German assets, including presently reserved assets which may in the future become free of claims, litigation, or other present obligations, supplemented by an appropriation of $100 million, representing a substantial part of the proceeds from German assets used for the payment of American claims against Japan. This program contemplates the expeditious liquidation of vested properties.

In connection with the proposed return, it may be noted that the Federal Republic of Germany has been informed of the United States view that such a return should not be regarded as a precedent with respect to other allied countries.

The legislation should give the Administration discretionary authority to work out with the German Government arrangements with regard to the return of vested assets which would, to the maximum extent possible, relieve the United States Government of the burden of administration. The returns of up to $10,000 would be made by the United States Government, with maximum German assistance. The *pro rata* returns in excess of $10,000 might be dealt with on a lump sum basis, depending upon what arrangements could be made with the German Government. Returns to former owners who are now American nationals in all instances should be made directly by the United States Government. In other respects, such as the provisions relating to copyrights, trademarks, property subject to agreement with other countries, war criminals, and the coverage of the claims program, the legislation should follow the lines of previous Administration proposals. In addition, provision should be made for the divesting of unliquidated interests which the United States still holds in estates and trusts so that there can be terminated the continuing participation of the United States for an indefinite period in the administration of these estates and trusts.

Almost thirteen years have passed since the end of the war. It is essential that action be taken promptly if many of the original American claimants, and the original owners of German vested properties, are to derive during their lifetimes any of the benefits which a solution of these problems would afford. The program outlined above would provide, at long last, compensation to American citizens for losses and damages suffered during World War II and attributable to Germany. In addition it would resolve a troublesome problem in the field of our foreign relations and would strengthen our ties of friendship with the Federal Republic of Germany.

I respectfully request that early consideration be given to the enactment of legislation embodying the program outlined above. A similar letter is being sent to the Chairman of the House Interstate and Foreign Commerce Committee.

There is enclosed a statement of the events and legislative background leading to the recommendation of this program.

The Bureau of the Budget advises that the above proposals are in accord with the program of the President.

Sincerely yours,

For the Secretary of State:

WILLIAM B. MACOMBER, Jr.
Assistant Secretary

The Honorable
JAMES O. EASTLAND,
Chairman,
Committee on the Judiciary,
United States Senate.

Background Statement

March 17, 1958

VESTED GERMAN ASSETS AND PAYMENT OF AMERICAN WAR DAMAGE CLAIMS AGAINST GERMANY

By the first War Powers Act of December 18, 1941, Congress amended the Trading With the Enemy Act of 1917 to grant the President extensive powers to vest assets in the United States owned by foreign countries or their nationals. The 1917 Act already contained provisions for the return of such of the property to be vested as might ultimately prove to be owned by non-enemies. However, neither the 1917 Act nor the 1941 Act provided for the disposition of World War II vested assets finally determined to be owned by enemy governments or their nationals. That matter was left open.

Early in 1942 the President created the Office of Alien Property Custodian as an independent agency and delegated to the Alien Property Custodian the power to vest property other than securities, cash and credits. In June 1945, the Custodian's vesting power was expanded to include German and Japanese-owned securities, cash and credits. As a result, substantially all the German and Japanese assets known to be in the United States as of December 7, 1941, were vested by the Custodian or by his successor, the Attorney General.

In January 1946 the United States and 17 allied nations other than the Soviet Union and Poland executed the Paris Reparation Agreement whereby they agreed upon the division of the limited German assets in kind available to them as reparation from Germany, including German external assets located within the respective signatory countries. The 18 Allies agreed to hold or dispose of these external assets in such a way as to preclude their return to German ownership or control. This program was formulated in light of the allied experience after World War I when the attempt in effect to exact reparation from Germany's current production failed and led to Germany's default on its obligations. Moreover, it was clear after the end of World War II that the United States would have to provide major assistance to Germany to prevent disease and unrest. This country, therefore, favored measures which would limit Germany's World War II reparation to its external assets and other assets in kind, thus relieving Germany of reparation payments from current production and avoiding the indirect financing of reparation by the United States. The Paris Reparation Agreement met this objective.

In 1946 Congress enacted section 32 of the Trading With the Enemy Act authorizing returns of vested property to persons having merely technical enemy status and to enemy nationals who were persecuted by their own governments. In the same year, Congress added section 34 to the Act, providing for the payment of pre-vesting debt claims of Americans against enemy nationals whose property was vested.

By the War Claims Act of 1948 Congress added section 39 to the Trading With the Enemy Act, providing that German and Japanese assets not returnable under section 32 should, after the payment of debt claims therefrom, be retained by the United States without compensation to the former owners. In addition, the War Claims Act of 1948 gave priority to the use of the net proceeds of liquidation of this retained property for the payment of compensation to American civilian internees of the Japanese, to American servicemen captured by the forces of Germany, Japan and other governments which failed to provide adequate subsistence as required by the Geneva Convention and to certain Philippine religious organizations which had rendered aid to American personnel. This Act did not provide for the payment of war claims of Americans arising out of war-caused property damage but authorized a study of the problem. The Attorney General has advanced a total of $225,000,000 from the proceeds of vested assets for purposes of the War Claims Act of 1948. Thus that Act constituted a Congressional disposition of the German and Japanese assets vested under the Trading With the Enemy Act during World War II. Furthermore, that Act, in effect, gave confirmation to the reparation program set forth in the Paris Reparation

Agreement by devoting German external assets to the satisfaction of certain American war claims.

The Bonn Convention of 1952 for the Settlement of Matters Arising out of the War and the Occupation, between the Federal Republic of Germany and the United States, Britain and France also affirmed the policy of the Paris Reparation Agreement. In that Convention the Federal Republic of Germany agreed to compensate its own nationals for their loss of external assets by the vesting and other action of the Allied Powers. For their part, these countries gave the Federal Republic a commitment that they would not assert any claims for reparation against its current production. These provisions of the Bonn Convention were carried forward and approved in the Paris Protocol of 1954 which was approved by the Senate April 1, 1955, and came into force on May 5, 1955.

On July 17, 1954, Chancellor Adenauer wrote to the President to enlist his support for legislation which had been introduced in Congress for the general return of vested German assets.[6] The Chancellor referred to the hardships suffered by many of the German individuals whose property had been vested. He mentioned old people, pensioners and beneficiaries of insurance policies and inheritances in particular and urged that alleviation of these hardship cases would make a considerable contribution to furthering the friendship between the peoples of the United States and Germany. The President's reply of August 7, 1954, referred to the fact that the Allied Governments decided to look to German assets in their territories as a principal source for the payment of their claims against Germany. The President expressed sympathy with individuals in straitened circumstances in Germany for whom the operation of the vesting program in the United States had created particular hardship. He pointed out that American nationals who had suffered losses arising out of the war had received no compensation, also with resultant hardship in many cases. Finally, the President stated that although none of the bills then pending in Congress with regard to the return of vested assets had the approval of his Administration, the problem was receiving earnest consideration and he hoped that a fair, equitable and satisfactory solution could be achieved. The matter was also raised by Chancellor Adenauer with the President during the former's visit to Washington in October, 1954,[7] and conversations between representatives of the two Governments were agreed on.

As a result, the Executive Branch formulated a plan which was subsequently incorporated in a draft bill submitted to the 84th Congress.[8] Prior to the submission of that bill, representatives of the United States and the Federal Republic of Germany discussed the matter of vested German assets and the related problem of American war claims against Germany.[9] During these discussions representatives of the Federal Republic of Germany were informed that the Executive Branch would recommend a limited return of vested assets to natural persons up to a maximum of $10,000 as a matter of grace for the purpose of alleviating the cases of hardship caused by vesting. The United States representatives pointed out that this action would result in a full return to approximately 90 per cent of the former owners whose property had been vested and would achieve the equitable solution sought by the President. The United States representatives expressed the hope that in addition to relieving hardships of an appreciable number of German people, this action would serve to make even more secure the ties between the United States and Germany. The representatives of the German Federal Government expressed the hope that the proposed return would subsequently be followed by a wider program. They were informed, however, that the Administration did not envisage a broader return than was contained in the proposed recommendation.

At the time of the submission of the Administration proposal in 1955, it appeared that between $50 and $60 million might be realized from the liquidation of German and Japanese assets, over and above the amounts which had already been paid into the War Claims Fund pursuant to the War Claims Act of 1948, as amended, and the amounts required to pay claims which might be asserted under the Trading With the Enemy Act. It was then calculated that a return of up to $10,000 to former individual owners of vested German and Japanese assets would require approximately $60 million. There was therefore need for finding some arrangement for financing the payment of claims of American nationals against Germany if any measures of partial return of vested assets were to be contemplated.

As a result of the pooling of vested German and Japanese assets for the purpose of paying those claims provided for in the War Claims Act of 1948, it was then estimated that the sum of approximately $100 million deriving from German assets had in effect been used to pay claims against Japan. This use of German assets to pay claims against Japan thus drastically reduced the funds which would otherwise have been available at the discretion of Congress to pay American property damage claims against Germany. It was therefore proposed that the sum of $100 million be restored from governmental funds to pay war claims against Germany.

The subject of the disposition to be made of the vested assets and of American claims against Germany was again considered by the Administration in the early part of 1957. At that time it appeared that larger sums would be available from the liquidation of assets than had previously been estimated. It was calculated that the sum of $108 million was immediately available and that a substantial additional amount might become available out of funds held in reserve against unresolved claims, litigation and other obligations. It was therefore recommended by the Administration, in letters sent to the Vice President and the Speaker of the House from the Chairman of the Foreign Claims Settlement Commission under date of April 3, 1957, that returns be made up to $10,000 to the former individual owners of German and Japanese properties, as previously recommended, and that the remainder

[6] For texts of Mr. Adenauer's letter and the President's reply, see BULLETIN of Aug. 23, 1954, p. 269.

[7] *Ibid.*, Nov. 8, 1954, p. 680.

[8] For a statement made on Nov. 29, 1955, before the Senate Judiciary Committee by Deputy Under Secretary Murphy, see *ibid.*, Dec. 12, 1955, p. 971.

[9] For text of a joint statement issued following the U.S.-German discussions, see *ibid.*, Mar. 14, 1955, p. 437.

of the proceeds of vested assets be used to meet the war damage claims of American nationals against Germany.

Thereafter, a new study of the problem was made by the Administration. On July 31, 1957, the White House announced the intention of the Administration to submit to the next session of Congress a supplementary plan which would provide for the payment in full of all legitimate war claims of Americans against Germany and would permit, as an act of grace, an equitable monetary return to former owners of vested assets.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

U.S. and Canada Advocate Principle of Abstention in Fishing

Press release 189 dated April 11

The following statement was released at Geneva on April 11 by the U.S. delegation to the U.N. Conference on the Law of the Sea.[1]

The United States and Canada have introduced a proposal for a new article in the proposed codified law of the sea, as well as certain changes in one section of the draft proposal drawn up by the International Law Commission. The proposal is aimed specifically at filling a gap in the ILC draft and through it increasing the world's supply of a major food—fish.

The joint U.S.–Canadian proposal would make the principle of abstention an essential conservation procedure in certain fishing situations. It would provide an incentive for all states to restore, maintain, and further develop fishery production. It would give meaning to a concept that is necessary if the world is to obtain full utilization of the resources of the sea.

In advancing the procedure, the sponsors have emphasized three basic considerations:

1. The states fishing the resource must have added to the productivity of the resource by constructive conservation measures.

2. The states fishing the resource must utilize the resource fully, so that the introduction of more fishing effort will not produce more fish.

3. Any question as to the fulfillment of these prerequisite conditions would be subject to testing by any interested state, and disputes regarding their existence would be settled in an objective, expeditious manner.

The concept and practice of abstention in fishing has grown out of the experience, sometimes individually, often jointly, of the United States and Canada. Since 1923 both these nations have through major expenditures and severe restraints on their own fishermen saved from disastrous depletion and, in fact, made major advances in the quantitative catch of several major fish crops. By research, scientific management, construction of costly fishways, and forgoing of water-power projects, the United States and Canada have jointly built up the salmon, halibut, and fur-seal resources of the Northeast Pacific.

Of equal importance is the fact that abstention would apply only to specific stocks of fish, not to areas of the sea. It would not touch upon general fishing activities in an area but would affect only the harvesting of the particular stock of fish which qualifies for abstention procedures. Nor would it limit a coastal state adjacent to a high-seas area where the abstention procedure is being carried out, even though nationals of that coastal state had not previously participated in the fishery. The doctrine could not prevent but rather would promote the full utilization of a fishery resource.

Abstention is a highly beneficial conservation concept which encourages countries to make the investment in talent, time, money, and self-denial necessary to develop the productivity of the resources of the sea. Lacking this or some equivalent procedure, nations will have little or no protection and resultingly little or no incentive to

[1] For a statement by Arthur H. Dean, chairman of the U.S. delegation, see BULLETIN of Apr. 7, 1958, p. 574.

undertake expensive programs for developing, restoring, and maintaining such resources.

The world as a whole has a great deal to gain by accepting abstention as a general rule. The United States Government considers the concept essential to any complete set of articles on high-seas fisheries conservation.

Ambassador Burgess Concludes Consultations in Washington

Press release 185 dated April 11

Ambassador W. Randolph Burgess, U.S. Representative to the North Atlantic Treaty Organization and European Regional Organizations, left on April 11 to return to his post in Paris after extensive consultations in Washington.

In the interest of improvement in political consultation in NATO, the communique issued by the Heads of Government of the NATO countries at their meeting in Paris last December [1] expressed their intention to keep their permanent representatives in Paris fully informed of all government policies which materially affect the alliance and its members.

Ambassador Burgess during his stay in Washington attended meetings of the Cabinet and of the National Security Council. He also met on several occasions with Secretary Dulles, Secretary of the Treasury Robert B. Anderson, Secretary of Defense Neil H. McElroy, and numerous other officials of the State Department, the Defense Department, and other Government agencies. His discussions with Government officials covered major subjects of current interest to the North Atlantic Treaty Organization, including preparations for the conference of NATO defense ministers which will be held at Paris April 15–17, preparations for the NATO foreign ministers' meeting to be held at Copenhagen May 5–7, and consultations now in progress in NATO regarding possible discussions with the Soviets.

Ambassador Burgess also discussed with Government officials and representatives of business and finance current economic problems relating to the work of the Organization for European Economic Cooperation (OEEC), with which the United States is closely associated.

[1] For text, see BULLETIN of Jan. 6, 1958, p. 12.

U.S.–Euratom Working Party Concludes Discussions

Following is the text of a joint statement released at Washington and Luxembourg on April 3 at the conclusion of meetings of a joint U.S.–European Atomic Energy Commission working party, which convened at Luxembourg on March 20.

Press release 169 dated April 3

A joint working party composed of representatives of the Commission of the European Atomic Energy Community (EURATOM) and the Government of the United States has today concluded a series of meetings in Luxembourg.[1]

This group has been studying the means whereby a joint EURATOM–United States nuclear power program might be developed. The objective would be to initiate promptly a program aimed at bringing into operation by 1963 a number of large-scale nuclear power plants to be built within the community, primarily of the pressurized and boiling water types, and having a total installed capacity of approximately one million kilowatts of electricity.

The group also has been examining the principal aspects of a supporting joint research and development program which would be centered on these reactors.

The program would be designed to encourage maximum participation by the industries of the Community and of the United States.

Substantial progress has been made toward these objectives and it is planned that there will be further discussion of the proposed joint program in Washington later in April.

Dr. Manley Named Senior Adviser to U.S. Representative to IAEA

The Department of State announced on April 2 (press release 165) the appointment of John Henry Manley, formerly research adviser at the University of California's Los Alamos Scientific Laboratory, to be senior technical adviser to Rob-

[1] For a Department announcement and names of members of the U.S. delegation, see BULLETIN of Apr. 7, 1958, p. 583.

ert M. McKinney, U.S. Representative to the International Atomic Energy Agency and U.S. member of the Agency's 23-nation Board of Governors.

The International Atomic Energy Agency (IAEA) came into being in 1957 as an outgrowth of President Eisenhower's atoms-for-peace proposal. United States participation in the IAEA is coordinated by a permanent mission located at Vienna, Austria, headquarters of the Agency.

Dr. Manley will join the mission in time to attend the meeting of the Board of Governors of the IAEA scheduled to convene at Vienna, April 24, 1958.

U. S. Delegations to International Conferences

13th Session, Economic Commission for Europe

The Department of State announced on April 4 (press release 172) that Henry J. Heinz II, president of H. J. Heinz Company, was sworn in as the U.S. Representative to the 13th session of the U.N. Economic Commission for Europe (ECE), scheduled to be held at Geneva, Switzerland, April 9–25, 1958.[1] Mr. Heinz served as a public member of the U.S. delegation to the 12th session of the Contracting Parties of the General Agreement on Tariffs and Trade (GATT), which met at Geneva in October 1957. In 1954 he headed the U.S. Special Economic Mission to Pakistan.

The Department also announced that Mr. Heinz' principal advisers will be John W. Evans of the American Embassy, London, and George Tesoro, Senior Economic Officer, U.S. Resident Delegation to International Organizations, Geneva.

The ECE is one of the three regional commissions established by the United Nations to deal with the special economic problems of its area and to contribute to better living standards in the world as a whole.

At its 13th session the Commission will review the activities of its committees, which cover the fields of agriculture, coal, electric power, housing, industry and materials, inland transport, manpower, steel, timber, and trade. The Annual Survey of Europe, as prepared by the secretariat on its own responsibility, will also be reviewed.

[1] Mr. Heinz was confirmed by the Senate on Apr. 2.

TREATY INFORMATION

Current Actions

MULTILATERAL

Atomic Energy

Statute of the International Atomic Energy Agency. Done at New York October 26, 1956. Entered into force July 29, 1957. TIAS 3873.
Ratifications deposited: Ecuador, March 3, 1958; Mexico, April 7, 1958.

Aviation

Convention on international civil aviation. Done at Chicago December 7, 1944. Entered into force April 4, 1947. TIAS 1591.
Adherence deposited: Federation of Malaya, April 7, 1958.

Finance

Articles of agreement of the International Finance Corporation. Done at Washington May 25, 1955. Entered into force July 20, 1956. TIAS 3620.
Signature and acceptance: Ghana, April 3, 1958.

Genocide

Convention on the prevention and punishment of the crime of genocide. Done at Paris December 9, 1948. Entered into force January 12, 1951.[1]
Accession deposited: Austria, March 19, 1958.

Property

Convention for the protection of industrial property. Signed at London June 2, 1934. Entered into force August 1, 1938. 53 Stat. 1748.
Adherence effective: Haiti, July 1, 1958.

Shipping

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva March 6, 1948.[2]
Acceptance deposited: Japan, March 17, 1958.

Slavery

Slavery convention signed at Geneva September 25, 1926 (46 Stat. 2183), as amended by the protocol of December 7, 1953 (TIAS 3532).
Accession deposited: Ceylon, March 21, 1958.

BILATERAL

Sudan

Agreement providing for economic, technical, and related assistance to the Sudan. Effected by exchange of notes at Khartoum March 31, 1958. Entered into force March 31, 1958.

Union of South Africa

Agreement supplementing the passport visa agreement of March 28 and April 3, 1956 (TIAS 3544). Effected by exchange of notes at Pretoria March 31, 1958. Entered into force April 1, 1958.

[1] Not in force for the United States.
[2] Not in force.

Asia. The Mutual Security Program in the Far East (Robertson) 698

Atomic Energy
Dr. Manley Named Senior Adviser to U.S. Representative to IAEA 709
President Asks U.S.S.R. To Agree To Begin Study of Specific Disarmament Control Measures (Eisenhower, Khrushchev, text of letters) 679
Secretary Dulles' News Conference of April 8 . . 682
U.S.-EURATOM Working Party Concludes Discussions (text of joint statement) 709

Aviation. International Cooperation Through Aviation (Dulles) 689

Canada
Great Lakes Fishery Commission Meets at Washington 697
U.S. and Canada Advocate Principle of Abstention in Fishing 708

Claims and Property. Plan Submitted to Congress for Payment of U.S. Claims Against Germany and Return of Vested German Assets (text of letter and background statement) 703

Communism. The Mutual Security Program in the Far East (Robertson) 698

Congress, The
Congressional Documents Relating to Foreign Policy 702
The Mutual Security Program in the Far East (Robertson) 698
Plan Submitted to Congress for Payment of U.S. Claims Against Germany and Return of Vested German Assets (text of letter and background statement) 703

Disarmament
President Asks U.S.S.R. To Agree To Begin Study of Specific Disarmament Control Measures (Eisenhower, Khrushchev, text of letters) 679
Secretary Dulles' News Conference of April 8 . . 682

Economic Affairs
President Asks Further Report on Umbrella-Frame Tariff 696
The Trade Agreements Program and American Prosperity (Mann) 692
United States World Trade Fair (text of proclamation) 696
World Trade Week, 1958 (text of proclamation) . 695

Europe
13th Session, Economic Commission for Europe (U.S. delegation) 710
U.S.-EURATOM Working Party Concludes Discussions (text of joint statement) 709

Germany. Plan Submitted to Congress for Payment of U.S. Claims Against Germany and Return of Vested Germany Assets (text of letter and background statement) 703

Indonesia. Secretary Dulles' News Conference of April 8 682

International Law. U.S. and Canada Advocate Principle of Abstention in Fishing 708

International Organizations and Conferences
Dr. Manley Named Senior Adviser to U. S. Representative to IAEA 709
Great Lakes Fishery Commission Meets at Washington 697
13th Session, Economic Commission for Europe (U.S. delegation) 710
U.S.-EURATOM Working Party Concludes Discussions (text of joint statement) 709

Mutual Security
The Mutual Security Program in the Far East (Robertson) 698
U.S. Grants Wheat to Tunisia 691

North Atlantic Treaty Organization. Ambassador Burgess Concludes Consultations in Washington 709

Philippines. Anniversary of Fall of Bataan (Eisenhower) 691

Presidential Documents
Anniversary of Fall of Bataan 691
President Asks Further Report on Umbrella-Frame Tariff 696
President Asks U.S.S.R. To Agree To Begin Study of Specific Disarmament Control Measures . . 679
United States World Trade Fair 696
World Trade Week, 1958 695

Treaty Information. Current Actions 710

Tunisia. U.S. Grants Wheat to Tunisia 691

U.S.S.R.
President Asks U.S.S.R. To Agree To Begin Study of Specific Disarmament Control Measures (Eisenhower, Khrushchev, text of letters) 679
Secretary Dulles' News Conference of April 8 . . 682

United Nations. U.S. and Canada Advocate Principle of Abstention in Fishing 708

Name Index

Burgess, W. Randolph 709
Dulles, Secretary 682, 689
Eisenhower, President 679, 691, 695, 696
Khrushchev, Nikita 680
Macomber, William B., Jr 703
Manley, John Henry 709
Mann, Thomas C 692
Robertson, Walter S 698

Check List of Department of State Press Releases: April 7–13

Press releases may be obtained from the News Division, Department of State, Washington 25, D. C.

Releases issued prior to April 7 which appear in this issue of the BULLETIN are Nos. 157 of March 29, 163 of April 1, 165 of April 2, 169 of April 3, and 172 of April 4.

No.	Date	Subject
†176	4/7	Reduction of life sentences of 10 Japanese.
†177	4/7	SEATO research fellowships.
†178	4/7	Seattle to be site for Colombo Plan meeting.
179	4/8	Dulles: news conference.
†180	4/9	Dillon: "Impact of Mutual Security Program on the U.S. Economy."
181	4/9	Great Lakes Fishery Commission.
†182	4/9	Reply of "Sixteen" to Chinese Communist statement on Korea.
†183	4/9	Herter: "International Trade and Our National Security."
184	4/9	Dulles: "International Cooperation Through Aviation."
185	4/11	Burgess concludes consultations in Washington.
186	4/10	U.S. grants wheat to Tunisia.
†187	4/11	U.S. Consulate at Nicosia raised to Consulate General (rewrite).
*188	4/11	Educational exchange.
189	4/11	Explanation of abstention in fishing.
*190	4/12	Secretary Dulles to speak at Minnesota Statehood Day.

* Not printed.
† Held for a later issue of the BULLETIN.

U. S. GOVERNMENT PRINTING OFFICE: 1958

DSB-DEC
UNIVERSITY MICROFILMS
ATT STEVENS RICE
313 N FIRST ST
ANN ARBOR MICHIGAN

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

the Department of State

Organization of American States

The Organization of American States is an association of 21 American Republics, which have a combined population of about 348 millions and which represent the greatest variety and individuality in their geography and history, their economic life and cultural interests.

A new Department of State publication, *Organization of American States*, tells how these 21 nations joined to form the OAS, which President Eisenhower has called "the most successfully sustained adventure in international community living that the world has seen," and how it works to achieve its ends.

The 20-page pamphlet, in question-and-answer format, discusses the development, functions, organization, and achievements of the OAS. The booklet is illustrated with photographs and an organizational chart.

Copies of *Organization of American States* may be purchased from the Superintendent of Documents, U.S. Government Printing Office, for 15 cents each.

Publication 6625 **15 cents**

Order Form

**To: Supt. of Documents
Govt. Printing Office
Washington 25, D.C.**

Enclosed find:

$.....
(cash, check, or money order).

Please send me ..... copies of *Organization of American States.*

Name: .....

Street Address: .....

City, Zone, and State: .....